UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

JEFFREY FROMMER, *et al.*, Plaintiffs,	:	
v.	:	Case No. 1:23-cv-06339-JMF
MONEYLION TECHNOLOGIES INC., *et ano.*, Defendants.	:	

DECLARATION OF BRUCE B. BINGHAM

I, Bruce B. Bingham, declare pursuant to 28 U.S.C. § 1746 as follows:

1. My name is Bruce B. Bingham. I am a Managing Director at Berkeley Research Group, LLC ("BRG").

2. I am a resident of the State of South Carolina over the age of 18, and competent to make this statement. I submit this affidavit as my direct trial testimony.

SUMMARY OF ASSIGNMENT

3. BRG has been retained by the law firm of Katten Muchin Rosenman LLP ("Counsel"), on behalf of Jeffrey Frommer, Lyusen Krubich, Daniel Fried, and Pat Capra ("Plaintiffs"), to prepare an expert rebuttal report to the Expert Report of Paul A. Gompers Ph.D. dated September 20, 2024 (the "Gompers Report"), and to provide expert testimony (if necessary) on certain topics and issues related to this proceeding.

4. The Gompers Report was prepared on behalf of MoneyLion, Inc. and MoneyLion Technologies Inc. (collectively, "MoneyLion") related to this matter.[1] The Gompers Report provides estimates of value and the

[1] Expert Report of Paul A. Gompers, Ph.D. dated September 20, 2024.

PX423

alleged potential damages related to MoneyLion's acquisition of Malka Media Group LLC ("Malka" or the "Company").

5. In this declaration, consistent with reports I submitted during expert discovery, I was asked by Counsel for Sellers to opine as to Prof. Gompers' value of the Company as it relates to MoneyLion, as well as alleged potential damages related to MoneyLion's acquisition of the Company.

SUMMARY OF OPINIONS

6. Based on my professional experience and the documents and information referred to below and in Appendix D, my opinions are as follows

a. ***Opinion 1:*** The Gompers Report is fatally flawed in multiple respects, but predominantly for four overarching reasons:

   i. ***First***: The Gompers Report does not define a standard of value.

   ii. ***Second***: The Gompers Report ignores the applicability of a market approach.

   iii. ***Third***: The Gompers Report relies on a discounted cash flow analysis that is based on inapplicable projections.

   iv. ***Fourth***: The Gompers Report applies a flawed and significantly understated discount rate.

b. ***Opinion 2:*** According to my Fair Market Value analysis, the range of FMV of Malka at the time of the transaction is $18.9 to $21.7 million, with a mid-point of $20.2 million.

   i. I performed my own Fair Market Value analysis of the Company. My analysis indicates a range of enterprise value of $18.9 to $21.7 million for Malka as a going concern as of November 15, 2021 based on the information and data that was known or knowable at the time of the transaction in which MoneyLion acquired Malka (the "Transaction").

c. ***Opinion 3:*** The $75 mm purchase price for Malka, paid by MoneyLion, was based primarily on anticipated synergies.

i. The purchase price of $75 million that MoneyLion agreed to pay for Malka was based primarily on anticipated synergies from adding Malka's digital marketing suite of services to MoneyLion's banking platform. This is discussed in many MoneyLion documents.

ii. I quantified the buyer-specific synergies associated with MoneyLion's acquisition of Malka and considered estimated revenue and cost synergies resulting from the Transaction. My estimate of the synergies is $48.8 million.

d. ***Opinion 4:*** Industry transactions in the digital marketing space are based on capturing market share.

7. In forming my opinions set forth in this report, my staff, working under my direct supervision, and I have reviewed certain documents produced and deposition testimony given in this matter and information obtained from discussions with Counsel.

8. I formed my opinions in this matter based on an independent assessment of the documents and information, as described in this report (and reflected on **Appendix D**), as well as my general knowledge, professional experience, and analysis of the information available to me in this matter.

9. My testimony is based on documents and information available to me as of the date of this declaration. I reserve the right to amend my testimony to reflect any new information made available to me throughout the process of this litigation.

QUALIFICATIONS

10. Prior to joining BRG, I was an Executive Director at Capstone Valuation Services, LLC, having joined it in December 2006. Prior to this, I was the Senior Managing Director of Trenwith Valuation, LLC, an affiliate company of the accounting firm BDO Seidman, LLP ("BDO Seidman"). From June 1997 to July 2004,

I was a partner of BDO Seidman and National Practice Director of its Valuation Services practice. Prior to joining BDO Seidman in June 1997, I was a Vice President and a Member of the Executive Committee of the Barrington Consulting Group, Inc. ("Barrington"). At Barrington, I was the Co-National Director of the Valuation Practice and was responsible for numerous valuations and related work for litigation and non-litigation clients and projects. Prior to joining Barrington, I was a Principal (Partner) at KPMG Peat Marwick, LLP ("KPMG") where I was the Principal in charge of the New York City Appraisal/Valuation Group for over ten years. Prior to and concurrent with my career in financial services, I served as a Brigadier General in the United States Army, from 1993 to 2001.

11. I received my Bachelor's degree from Rutgers College and my Masters degree in Public and Private Management in the Charter Class of the Yale School of Organization and Management.

12. Over the course of my career, I have been retained as an expert witness or consulting expert numerous times. I have testified as to the value of private companies, divisions of public companies, diminution in values and damages and other related financial analyses. I have conducted more than a thousand business valuations in my career and have served as an Examiner for the American Society of Appraisers ("ASA"), reviewing and critiquing dozens of valuation reports submitted by candidates for the Accredited Senior Appraiser designation in business valuation.

13. I am the Past Chairman of the Business Valuation Committee of the ASA, which is recognized as a governing body of the business valuation discipline in the United States. I was a founding member of the Business Valuation subcommittee of the Association of International Certified Professional Accountants (the "AICPA"), and I served as the chair of the Royal Institute of Chartered Surveyors-Americas Valuation Council, an international multi-disciplinary valuation association.

14. My curriculum vitae, including a list of all cases in which I have testified as an expert either at trial or by deposition during the past four years, as well as other significant matters, is included at Appendix A. A list of all publications that I have authored within the preceding ten years is also included at Appendix A.

15. BRG is being compensated on an hourly basis for the work I performed in preparing this report at my standard billing rate which is currently $1,000 per hour. I have been assisted by other BRG professionals who have worked under my supervision and at my direction, and for whose work BRG is being compensated at rates ranging from $150 to $595 per hour. BRG's compensation is unrelated to and not dependent on the outcome of this matter.

BACKGROUND FOR OPINIONS

A. The Parties

16. Malka, a New York limited liability company, was founded in 2011 and provides marketing and media services as a "creative agency, production house, and technology platform."[2] Sellers collectively owned all the issued and outstanding membership interests in Malka prior to November 15, 2021 (the "Closing Date").

17. On the Closing Date, MoneyLion acquired the membership interests in Malka from Sellers through the MIPA. MoneyLion, a corporation organized under the laws of Delaware, provides "consumer financial products and services and marketplace solutions, providing curated money-related content to engage, educate and empower customers."[3] MoneyLion is a wholly owned subsidiary of MoneyLion Inc., which is a publicly traded company on the New York Stock Exchange.[4]

DETAILED STATEMENT OF OPINIONS AND BASES FOR OPINIONS

A. Opinion 1: The Gompers Report is fatally flawed in multiple respects, but predominantly for four overarching reasons.

18. The Gompers Report is fatally flawed in multiples respects, as discussed below.

1. The Gompers Report Does Not Define a Standard of Value.

[2] PX397.
[3] PX283.
[4] Id.

19. At the most basic level, a valuation report should start with the definition and standard of value for the business interest being valued. This is not a theoretical nit-pick, it is the foundation for completing any valuation assignment involving a dispute.

20. Consider the following definitions:

a. *Standard of Value:* The identification of the type of value being used in a specific engagement; e.g. fair market value, fair value, investment value.[5]

b. *Fair Market Value:* The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.[6]

c. *Fair Value:* The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.[7]

d. Investment Value: The value to a particular investor based on individual investment requirements and expectations.[8]

e. *Special Interest Purchase*r: Acquirors who believe they can enjoy post-acquisition economies of scale, synergies, or strategic advantages by combining the acquired business interest with their own.[9]

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[5] *See* AICPA. "Appendix B (International Glossary of Business Valuation Terms)," Statement on Standards for Valuation Services.

[6] Id.

[7] PX391, Master Glossary of FASB's Accounting Standards Codification, at "Fair Value."

[8] "Appendix B (International Glossary of Business Valuation Terms)," Statement on Standards for Valuation Services.

[9] Id.

21. It is common for private companies to maintain their financial books and records on a non-GAAP basis in certain respects for various reasons including, but not limited to, a preference of the tax basis of accounting or lack of applicability due to the nature of a business.

22. Nowhere in his 47-page report or in his 115 cited footnotes does Professor Gompers ("Gompers") tell the Court what standard of value he is using. Why is this important? In the United States, the most widely recognized and accepted standard of value related to business appraisals is fair market value, but it is key to note that it assumes a hypothetical buyer and seller. In this matter, Gompers frequently relies on specific assumptions from MoneyLion and Malka, so fair market value cannot be his standard of value. Gompers fails to mention the term "Fair Market Value" even once in his report.

23. The term "Fair Value" is purely an accounting concept used in financial reporting. The term does not even appear in the Business Valuation Glossary adopted by the AICPA.[10] Yet Professor Gompers relies heavily on the CFGI Report entitled "MoneyLion, Inc., Acquisition of Malka Media Group LLC"[11] (the "CFGI Valuation Report") that was prepared on the standard of Fair Value for its client MoneyLion's accounting purposes. Gompers mentions the term "fair value analysis" once in paragraph 36,[12] however, "fair value" is an accounting term and not a business valuation term.

24. Shannon Pratt provides important advice to the Court: "*Without carefully defining the term value, the conclusions reached in the appraisal report have no meaning.*"[13]

2. The Gompers Report Ignores the Applicability of a Market Approach

25. A second major impairment by Professor Gompers was his determination that a "multiples-based analysis is uninformative."[14] The ASA's Business Valuation Glossary provides more clarity: the Market

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[10] Id.

[11] JX081 at MoneyLion_01824553 - MoneyLion_01824603.

[12] Gompers Report, p. 14.

[13] Pratt, Shannon. *Valuing a Business*, 5th Edition, at 41.

[14] Gompers Report, p. 34.

(Market-Based) Approach is *"a general way of determining a value indication of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar business, business ownership interests, securities or intangible assets that have been sold."*[15] Relying solely on just one of the three established approaches to value—the forward-looking Income Approach—fails to take advantage of valuation approaches that focus on historical financial information and/or near term prospective financial information. "…the *ASA Business Valuation Standards* recognize *an income approach, a market approach*, and an *asset-based approach*…thus following the three- pronged structure familiar to real estate appraisers."[16]

26. I note that Gompers had access to the revenue multiples (i.e. 2.7x 2021 Revenue, 2.5x 2022 Revenue)[17] that MoneyLion management cited for the Malka acquisition in its November 9, 2021 presentation to the Board, but chose not to consider them in his report.

27. Gompers's Section V.C.4, paras 61-67, provides his reasons for rejecting a "Multiples Analysis."[18] In his paragraph 34, Professor Gompers states that, with regards to using comparable company and comparable transactions approaches *"These approaches rely on the implicit assumption that the company being valued would be expected by market participants to have the same risk and expected growth rate as the comparable companies."*[19]

28. Academically, this may be a useful statement, but in the real world where I have performed more than a thousand valuations, it is of little use. Of course, public companies are larger, more diversified, with traded securities tracked by analysts, SEC audit requirements and outside boards and will not have the same risk and

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[15] ASA. "Glossary," ASA Business Valuation Standards.

[16] Pratt at 50. The asset-based approach is used primarily for holding companies and for distressed companies where the hard asset value might exceed the fair market value.

[17] PX146, at MoneyLion_02038456.

[18] Gompers Report, pp. 29-30.

[19] Gompers Report, pp. 13.

expected growth as smaller private companies. This is why valuation accreditation courses and textbooks spend entire segments on how to appropriately adjust those public company multiples to be applicable in private company valuation.[20]

29. The best practice for selecting or rejecting an approach in developing an opinion of value is to let the data speak for itself, and, if truly not applicable or appropriate for determining the opinion, then include that data as an addendum or supplementary attachment. Professor Gompers merely opines on the importance of forward-looking multiples over historically derived multiples and earnings multiples over revenue multiples.

30. I have testified many times that the original basis of the Guideline Comparable Company method of the Market Approach was designed to provide an historical factual basis for analysis that balances the prospective, forward-looking Income Approach. Thus, using comparable public company financials filed with the SEC to calculate performance multiples such as revenue or earnings multiples were based on fact, not speculation. Pratt summarizes this thought: *"In court, the parties to an action and the judge rely on evidence to support a particular position. Historical facts are often considered more credible evidence in the eyes of the court than future projections of what somebody thinks will happen. Therefore, when legal evidence is required, the focus tends to be on the historical record of financial performance…. The courts generally prefer provable historical results to unproven expectations of future results, but some courts are becoming more amenable to accepting projections prepared in the ordinary course of business."*[21]

31. Further, forward-looking multiples are oxymoronic. Who comes up with forward-looking multiples? Not researchers studying SEC-filed data, but rather financial analysts in investment firms who are merely

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[20] Pratt, Valuing a Business at 293 *"In order for the analyst to make an intelligent estimate of what multiple is appropriate for the subject company relative to the multiples observed for the guideline companies, the analyst must make some judgments as to the relative risk and growth prospects of the subject compared with the guideline companies."* Pratt then presents extensive discussion on the necessary considerations. I also address this topic in my article *"An Expert's View – Bingham Says" published by ValuationProducts.com in their Financial Valuation and Litigation Expert, June/July 2006. As noted in the article "Explain the concept of fundamental discounts, or "haircuts," to the multiples of your public comps. Often, private companies are inferior in head-to-head comparisons with public companies. There are quantitative as well as qualitative factors to consider in any comparison that can justify a haircut."*

[21] Pratt, Valuing a Business at 57.

developing their own projections of future financial performance. In contrast, historical multiples are based on factual company performance.

32. Yes, in many instances, facts of a case will require a valuer to use forward-looking multiples, but those should be used in conjunction with historical multiples and presented in the report for the consideration of the intended audience.

33. In my valuation analysis, presented later, I utilized the discounted cash flow ("DCF") method of the Income Approach and the Guideline Public Company and Guideline Merged and Acquired Company methods of the Market Approach.

3. *Gompers Report relies on a discounted cash flow analysis that is based on inapplicable projections.*

34. In his report, paragraph 36, Gompers states "*Specifically, to calculate Malka's expected future FCFs [free cash flows], I use projections for Malka's future financial performance provided by Malka's management (the "Malka Projections") that were used in the CFGI Report prepared by CFGI, LLC, an accounting and business advisory firm retained by MoneyLion to conduct a fair value analysis of certain assets/liabilities in connection with the Transaction.*"[22]

35. The CFGI Valuation Report's 'Sources of Information' section states that "*we have received the following data directly from Client/Management…. The prospective financial information of the Company as prepared by management for the five years ending December 31, 2021 through 2026.*"[23] The 'Client' referenced here is MoneyLion and 'Management' is defined as 'Malka Management.' However, I have been informed by Counsel that they are not aware if any of the four sellers of Malka created the prospective financial information used in the CFGI Valuation Report or when the prospective financial information was created. I note that the CFGI Valuation Report is dated March 15, 2022 and values the Company as of November 15,

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[22] Gompers Report, p. 14.

[23] JX081, at MoneyLion_01824558.

2021. I am advised that Counsel does not know if the projections used in the CFGI Valuation Report were created before or after November 15, 2021.

36. After completing my report, a slack conversation between Michelle Lee and Erika Nuno was brought to my attention. This conversation occurred after the acquisition, and strongly suggests that MoneyLion, not the sellers, created the original projections for the years following the 2022 budget in the MIPA. This is demonstrated by a comparison between the projections sent to CFGI by MoneyLion in 2022, and the projections in the slack conversation. I also understand that the 2022 budget in the MIPA (presented by Sellers) is not a projection of future revenue for Malka as a free-standing company, but rather a budget for Malka as a subsidiary of MoneyLion. This budget where Malka is a subsidiary includes a substantially increased level of revenue from MoneyLion from 2021 to 2022, assuming the transaction closes.[24] Thus, beyond the MIPA budget, I don't see a basis for the CFGI projections that Gompers uses as they seem to have originated from MoneyLion and not the sellers.

37. The CFGI Valuation Report presents EBITDA of $3.27 million[25] for the twelve-month period ended September 30, 2021. The Gompers Report appears to ignore this historical metric, which would be an important consideration when evaluating EBITDA projections of the Company. This was an important indication of value that Gompers could have used, but chose not to use.

38. Further, the CFGI Valuation Report that Gompers relies on for the key input of his testimony has numerous issues:

a. The report was prepared under a Fair Value definition, solely for MoneyLion's accounting of the purchase price allocation,[26] and nowhere includes any CFGI estimate of Malka's enterprise value or fair market value.

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[24] *See generally*, testimony of Jeffrey Frommer.

[25] JX081, at MoneyLion_01824581.

[26] JX081, at MoneyLion_01824554 - MoneyLion_01824557.

b. Use of the CFGI Valuation Report is specifically limited: "**Expected recipients** are not clients and **may require a different intended use or scope of work**. Consequently, this work product may only be used by the intended user for the stated purpose **and cannot be used by any other third party in any other context without the prior express [sic] written consent of CFGI." (Emphasis added)**[27]

c. The one and only CFGI document presenting projections of Malka's future performance is Supplemental 1 of the CFGI Valuation Report, which is NOT titled Malka Projections, but rather ***Market Participant Projections***, with no specified sources.[28]

d. **Market Participants** is a specific **accounting** term published in ASC 820-10 (which the CFGI Valuation Report cites) that "*market participants are buyers and sellers in the principal or most advantageous market for the asset or liability…*"[29]

e. The estimates of revenue and EBITDA in Malka's presentation to MoneyLion, dated June 11, 2021,[30] do not come close to matching the projected revenues and EBITDA in the CFGI Valuation Report's Supplemental 1.[31]

39. Based on all of the above and in the absence of any specific sources of the CFGI data in Supplemental 1, I believe the projections presented in Supplemental 1 of the CFGI Valuation Report are inapplicable. Further, Professor Gompers' reliance on this single critical document renders his testimony invalid.

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[27] Id.

[28] JX081, at MoneyLion_01824593; Within the CFGI Valuation Report, Exhibits 3a, 5a, and 8a use Supplemental 1 as their starting point.

[29] JX081, at MoneyLion_01824560.

[30] PX061, at MoneyLion_01831236 - MoneyLion_01831237.

[31] JX081, at MoneyLion_01824593.

4. The Gompers Report applies a flawed and significantly understated discount rate.

40. The discount rate of 6.99% applied in Professor Gompers' DCF analysis is unreasonably low and results in a vastly overstated conclusion of value.

a. _Gompers Fails to Consider All Relevant Risk Factors_

41. Gompers cites the Capital Asset Pricing Model ("CAPM") as the methodology used to calculate the cost of equity that he applies as the discount rate in the DCF.[32]

42. When valuing a closely held entity, it is standard valuation practice to apply the Modified CAPM ("MCAPM"). This model considers two elements of risk that are missing from Gompers' concluded cost of equity: a company specific risk premium and a size premium. The MCAPM is explained in a valuation text by James Hitchner, an eminent business valuation expert, as follows:

"The modified capital asset pricing model (MCAPM) extends the basic CAPM model to capture systematic risks associated with size and unsystematic risk associated with company-specific risk in order to derive a rate applicable to a specific valuation target. The basic formula for MCAPM is expressed as follows:

$E(Ri) = Rf + (\beta \times RPm) + RPs +/- RPc$

Where:

E(Ri) = Expected rate of return on security i

Rf = Rate of return available on a risk-free security as of the valuation date

β = Beta

RPm = Equity risk premium (ERP) for the market as a whole RPs = Risk premium for smaller size

RPc = Risk premium attributable to other company risk factors"[33]

43. Gompers identifies two types of risk to consider – firm-specific risk and systematic risk. His stated rationale for excluding any consideration of firm-specific risk is "*because firm-specific risk can be diversified*

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[32] Gompers Report, p. 19.

[33] Hitchner, James. *Financial Valuation Applications and Models*, Fourth Edition, 2017 at 194.

away by investors who hold many assets in their portfolios, investors are only compensated for assuming systematic risk."[34]

44. While this statement may be true for an investor holding a hypothetical, fully diversified portfolio, Gompers misses an important distinction with this statement when applying it to the valuation of a closely held entity. His notion is directly contradicted by an eminent business valuation expert, Gary Trugman, as follows:

> *"The real world requires a valuation analyst to modify the CAPM if it is to be used for the valuation of a closely held company. Remember that this model was developed for use in a portfolio analysis and not business valuation. The assumption of a well-diversified portfolio that eliminates unsystematic risk is a poor assumption when trying to address the value of a closely held business. The owner of a closely held company can rarely diversify away the risk element of the closely held business being the major investment in his or her portfolio. Therefore, the CAPM formula is generally modified for the valuation of closely held companies."*[35]

45. Thus, Gompers' failure to consider the applicability of a company-specific risk premium is inconsistent with commonly accepted valuation practice.

46. Gompers also fails to consider a size premium in his development of a discount rate, and he provides no rationale for this decision, failing even to discuss the concept of a size premium in his report or his reason for excluding such a premium. The importance of consideration of a size premium is discussed by Shannon Pratt as follows:

> *"Many empirical studies performed since the CAPM was originally developed have found that realized total returns on smaller companies have been substantially greater over a long period of time than the original formulation of the CAPM would have predicted. One of the most remarkable discoveries of modern finance is that of a relationship between firm size and return. The relationship cuts across the entire size spectrum but is most evident among smaller companies, which have higher average returns than larger ones."*[36]

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[34] Gompers Report, p. 20.

[35] Trugman, Gary R., *Understanding Business Valuation, A Practical Guide to Valuing Small to Medium Sized Businesses*, Fifth Edition, 2017 at 551.

[36] Pratt, Shannon and Grabowski, Roger, *Estimating the Cost of Capital, The Lawyer's Guide to The Cost of Capital*, 2014 at 56.

47. Gompers' failure to consider the applicability of a size premium is inconsistent with commonly accepted valuation practice. The greater required returns for small companies combined with the failure to apply a company-specific risk premium will vastly understate the Company's cost of equity and overstate Gompers' concluded value.

48. In sum, the risk associated with a small company performing well is generally greater than the risk for a larger, public company. Accordingly, investors typically seek a greater return for assuming the greater risk with the smaller company. Hence, the higher cost of capital and higher discount rate. Because Gompers uses an unreasonably low discount rate (in my opinion), a significant portion of the value Gompers obtains for Malka is derived from extending the projections out four more years, as well as discounting the cash flows back to present value at his unreasonably low rate.

b. *Gompers Erroneously Applies the Same Discount Rate to Both Cases, Despite Differences in Projection Risk.*

49. Gompers applies the same discount rate of 6.99% in his "Actual World" and "But For" cases, despite differences in the projections, and therefore the level of projection risk, in each case. Thus, he fails to reflect any differences in projection risk in the discount rate. Investors typically require a higher rate of return for an investment in a riskier company, which should be reflected in the discount rate. Valuation experts typically reflect the risk of achieving projections in their selected cost of equity by factoring this into the company specific risk premium. The following excerpt from a valuation text illustrate the necessity of considering differences in projection risk:

> *"The CAPM….does have limitations that make its blind application questionable….the CAPM has no explicit adjustment to take into account aggressive or volatile projections. Therefore, it is important for the analyst to consider the riskiness of the projections and adjust for a premium when necessary."*[37]

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[37] Zukin, James H., *Capitalization & Discount Rates, Financial Valuation: Businesses and Business Interests*, 1990, at 15.

c. ***Gompers' 6.99% Cost of Equity is Unreasonably Low***

50. The lack of reasonableness of a 6.99% cost of equity for a company as small and risky as Malka becomes apparent when comparing it to the costs of equity of major, large-cap, blue-chip companies. When evaluating a sample of ten such companies, I observe an average cost of equity of approximately 8.9% as of the Transaction date. The companies considered and the estimated cost of equity for each as of the date of the Transaction are:

Cost of Equity of Certain "Blue Chip" Companies			
		As of November 15, 2021	
Company Name	**Ticker**	**Calculated Cost of Equity (1)**	**Market Value of Equity ($ in millions) (2)**
Alphabet Inc.	GOOGL	8.41%	$1,976,690
Amazon.com, Inc.	AMZN	8.85%	$1,798,183
Apple, Inc.	AAPL	9.37%	$2,460,960
Bank of America Corporation	BAC	11.04%	$385,061
Berkshire Hathaway Inc.	BRK.A	7.42%	$637,201
JPMorgan Chase & Co.	JPM	8.76%	$492,229
Meta Platforms, Inc.	META	9.81%	$966,828
Microsoft Corporation	MSFT	7.27%	$2,523,207
NIKE, Inc.	NKE	7.69%	$267,259
NVIDIA Corporation	NVDA	10.54%	$749,424
Average		**8.92%**	

(1) Calculated using the CAPM formula with inputs as of the date of the Transaction sourced from Capital IQ. The market capitalizations of these companies are too large to warrant the application of a size premium, per the 2021 Kroll Cost of Capital Navigator.
(2) Sourced from Capital IQ.

51. Thus, consideration of the cost of equity of these companies, which are dramatically larger and more diversified than Malka, subject to SEC and analyst scrutiny, and have external boards of directors and auditors, illustrates the patent unreasonableness of Gompers' selected cost of equity of 6.99%.

52. As will be discussed in detail in Section V of this report, I used a Weighted Average Cost of Capital ("WACC") analysis, which includes the application of MCAPM to calculate the cost of equity, to develop the

discount rate of 16.25% which I apply in my DCF analysis. The following table presents a comparison of the various elements of my discount rate to those of Gompers:

Comparison of Cost of Capital Inputs		
	Bingham	**Gompers**
Debt-to-capital ratio	5.74%	0.00%
Cost of Equity Calculation		
Model Applied	**MCAPM**	**CAPM**
Unlevered Beta	1.72	0.82
Relevered Beta	1.80	n/a
Beta used in R(e) calculation	Relevered Beta	Unlevered Beta
Risk-free rate	2.05%	2.05%
Equity risk premium	6.00%	6.00%
Size premium	3.21%	0.00%
Company-specific risk premium	1.00%	0.00%
Cost of equity	17.08%	6.99%
Cost of Debt Calculation		
Pre-tax cost of debt	3.33%	n/a
Tax rate	28.00%	n/a
After-tax cost of debt	2.40%	n/a
WACC Calculation		
Weight of debt	5.74%	0.00%
Weight of equity	94.26%	100.00%
Selected Discount Rate	**16.25%**	**6.99%**

53. My concluded discount rate is reasonable for a company with the size, history and risk profile of Malka, unlike Gompers' conclusion, which is inexplicably lower than the blue chip companies cited above.

B. <u>Opinion 2: According to my Fair Market Value analysis, the range of FMV of Malka at the time of the transaction is $18.9 to $21.7 million, with a mid-point of $20.2 million.</u>

54. I have performed my own Fair Market Value analysis of the Company. I too started with the MIPA budget. My analysis indicates a range of enterprise value for Malka of $18.9 to $21.7 million, with a midpoint $20.2 million, as of November 15, 2021 (the "Valuation Date") based on the information and data that is known or knowable at the time of the Transaction.

55. To reconcile my estimation of the Fair Market Value of the Company to the $75 million purchase price that MoneyLion agreed to, please refer to Section VI of this report, which analyzes the buyer-specific synergies which would add additional synergistic value which I estimate to be approximately $48.8 million that is not reflected in my Fair Market Value analysis.

56. In compliance with generally accepted valuation standards and methodologies, USPAP Standard 9 and ASA Business Valuation Standards-VI III,[38] I have considered all relevant approaches to value in reaching my conclusions. The following is a summary description of each of the three approaches to value:

1. The Asset-Based Approach

57. The asset-based approach is a general way of determining a value indication of a business, business ownership interest, security or intangible asset using one or more methods based on the value of the assets net of liabilities.[39] Incorporated in this approach is the economic principle of substitution that provides that an informed purchaser would pay no more for a property than the cost of purchasing or producing a substitute property with the same utility as the purchased property.[40]

58. In this case, I did not apply the asset-based approach to value the Company as this approach is only relevant in situations where the assets of a company are highly liquid on a standalone basis or when a business is expected to be liquidated. I note that in the CFGI Valuation Report, only the trade names and customer relationships are identified intangible assets of the Company[41], and do not have significant value on a stand-alone basis (*i.e.*, they are best used as an assemblage of assets to support the going concern business). Further,

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[38] Appraisal Standards Board. "Standard 9: Business Appraisal, Development." Uniform Standards of Professional Appraisal Practice 2014-2015 Edition, p. 60; ASA. "BVS-VI Reaching a Conclusion of Value," ASA Business Valuation Standards, p. 14.

[39] ASA at 25.

[40] Pratt at 358.

[41] JX081, at MoneyLion_01824554.

based on my review of the documents and testimony in this case, there is no expectation that the Company was to be liquidated as of the Valuation Date.

2. The Market Approach

59. The market approach is a general way of determining a value indication of a business, business ownership interest, security or intangible asset using one or more methods that compare the subject to similar businesses, business ownership interests, securities or intangible assets that have been sold.[42] It compares the assets to be valued to comparable assets recently sold or the asking prices of comparable assets ("Comparables").

60. Market sales are an indicator of the market value since it is assumed that market transactions are conducted under no compulsion between hypothetical buyers and sellers on an arm's length basis. When a number of sales of similar properties occur, a pattern of definable prices may be established.[43]

61. Below, I describe two particular market methods that I considered for the purpose of assessing the Fair Market Value of the Company.

a. ***The Guideline Public Company Method***

62. I have considered and estimated the value indicated by the Guideline Public Company ("GPC") method because it is a valuable tool for evaluating market expectations (and, ultimately, market required rates of return) for similar investments.

63. I have selected four guideline public companies which operate in the digital marketing, entertainment, media, and talent representation industries in order to derive valuation multiples of revenue to be applied to the Company. These are: Fluent, Inc.; Dolphin Entertainment, Inc.; IZEA Worldwide, Inc.; and Wilhelmina International, Inc. Descriptions of each of these companies are presented in my Exhibit 7.

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[42] ASA at 29.

[43] Pratt at 360.

64. The guideline public companies were selected based on their comparability to the Company, primarily in terms of industry, services offered, and revenue size, among a variety of factors. Based on the closing stock price of each of these guideline companies on the Valuation Date, I calculated the companies' market capitalizations and added the book values of preferred equity, minority interests, and net debt to derive their enterprise values as of the Valuation Date. I then derived the enterprise-value-to-revenue multiples of revenue for the trailing twelve months' ended September 30, 2021 ("EV / TTM Revenue"), the expected revenue for the fiscal year ending December 31, 2021 ("EV / FY 2021E Revenue"), and the budgeted revenue for the fiscal year ending December 31, 2022 ("EV / FY 2022E Revenue"). The indicated multiples are presented below:

	Content Creation & Marketing			**Talent Representation**
$ in millions	**Fluent, Inc.**	**Dolphin Entertainment, Inc.**	**IZEA Worldwide, Inc.**	**Wilhelmina International, Inc.**
	FLNT	**DLPN**	**IZEA**	**WHLM**
last twelve months:	*9/30/2021*	*9/30/2021*	*9/30/2021*	*9/30/2021*
last fiscal year end:	*12/31/2020*	*12/31/2020*	*12/31/2020*	*12/31/2020*
Valuation Multiples				
Enterprise value / Revenue				
Trailing twelve months	0.8 x	2.2 x	2.7 x	0.4 x
FY 2021E	0.7 x	2.0 x	2.5 x	na
FY 2022E	0.7 x	1.5 x	1.8 x	na
Enterprise value / EBITDA				
Trailing twelve months	12.7 x	nm	nm	6.1 x
FY 2021E	12.6 x	nm	nm	na
FY 2022E	8.1 x	9.2 x	nm	na

65. Given that there are nine months of historical results captured in both the trailing twelve month ("TTM") ended September 30, 2021 and full year 2021 budgeted revenue figures, to avoid double counting I chose to apply multiples to Malka's actual revenue for TTM September 30, 2021 and 2022 budgeted revenue.

66. In my analysis of Malka's enterprise value as of the Valuation Date, I did not apply EBITDA multiples because I did not consider Malka's expected EBITDA as projected in the MIPA for the fiscal year 2021[44] and

[44] JX065, at DLA_006296 - DLA_006297.

the budgeted EBITDA per the MIPA for the fiscal year 2022[45] to be representative of normalized EBITDA for the Company. These 2021 and 2022 cited EBITDA margins were 0.1% and 0.4%, respectively. The Project Queen Financial and Tax Due Diligence Report prepared by CFGI as of October 5, 2021 shows historical EBITDA margins of 4.4% in 2019 and 14.3% in 2020[46] that are not disclosed in the MIPA. I chose not to capitalize any historical EBITDA figures given the low earnings expectations post-Transaction as compared to historical margins, as well as the fact that I am relying on only information available in the MIPA and Disclosure Schedules.

67. I adjusted revenue multiples indicated by the guideline public companies based on the financial and economic characteristics of the Company relative to the guideline public companies. The adjustments reflect differences between the Company and the guideline public companies in terms of size, profitability, and historical and expected growth.

68. I selected the following multiple ranges to apply to the Company's revenues for the applicable periods:

EV / TTM Revenue of 0.70x – 0.80x

EV / FY 2022E Revenue of 0.50x – 0.60x

69. I multiplied the selected multiple ranges by $25.9 million for the TTM as of September 30, 2021 and $38.0 million for the fiscal year ending December 31, 2022. The TTM September 30, 2021 revenue was calculated using the year-to-date September 30, 2021 results per the consolidated financial statements provided in the Disclosure Schedules to the MIPA[47] and the monthly income statements for October through December 2020 that were provided in connection with the Project Queen financial due diligence.[48]

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[45] JX065, at DLA_006296 - DLA_006298.

[46] JX020, at MoneyLion_01813360.

[47] JX066, at MoneyLion_001043 – MoneyLion_001079.

[48] PX099, at MoneyLion_01861600 (produced in native format).

70. I assigned weightings to the preliminary value range derived from the application of each multiple range as of the TTM September 30, 2021 and the fiscal year ending December 31, 2022 of 60.0% and 40.0%, respectively, to reflect my greater confidence in the historical observation.

71. I added a rounded control premium of 5.0%, based on premiums for voting rights for U.S. companies observed through several studies[49] to the resulting equity value ranges. This is done to reflect the fact that the enterprise values of the guideline public companies are on a non- controlling basis given they are based on the trading prices of one share of stock. The resulting indicated range of enterprise value of the Company under this method is $19.2 million to $22.5 million.

72. My analysis under the GPC method is presented in my Exhibits 5 and 6.

b. ***<u>The Guideline Merged and Acquired Company Method</u>***

73. I also considered the Guideline Merged and Acquired Company ("GMAC") Method, where one relies on precedent comparable transactions to provide an indication of value.[50] I have identified four acquisitions of target companies considered comparable to Malka. The table below contains details on the four selected transactions.

$ in millions

Closed Date	Target	Buyer	Transaction-Implied Enterprise Value	LTM Revenue	LTM EBITDA	EBITDA Margin	EV / Revenue	EV / EBITDA
5/21/2021	Digital Media Services Inc	YANGAROO Inc.	$ 5.5	$ 4.0	na	na	1.4 x	na
10/28/2020	BroadbandTV Corp.	BBTV Holdings Inc.	233.9	140.9	(2.9)	-2.0%	1.7 x	nm
7/30/2019	Mad*Pow Media Solutions LLC	Tech Mahindra (Americas) Inc.	25.7	14.7	na	na	1.7 x	na
12/17/2018	495 Communications, LLC	Lighthouse Digital Inc.	15.0	14.4	1.9	13.2%	1.0 x	7.9 x

[49] *See* "Quantifying the Valuation Discount for Lack of Voting Rights and Premium for Voting Rights." *American Bankruptcy Institute*. March 2005.

[50] Pratt at 310.

74. Based on the limited the limited financial information available concerning these transactions at their closing dates, I applied an EV/TTM Revenue multiple range of 1.0x to 1.10x to Malka's revenue for the TTM ended September 30, 2021. The resulting indicated range of enterprise value is$25.9 million to $28.5 million.

75. My analysis under the GMAC method is presented in my Exhibits 8 and 9.

3. The Income Approach

76. The Income Approach is a general way of determining a value indication of a business, business ownership interest, security or intangible asset using one or more methods that convert anticipated economic benefits into a present single amount.[51] It considers projections of estimated future income streams associated with a specific asset or business, the remaining life of the asset or business, the average annual rate of return anticipated and market rates of return.[52] A terminal value[53] is determined to account for value of the target company after the projection period. The projected periodic income streams and the terminal value are then discounted at an appropriate risk rate to arrive at an indication of the value of ownership at the valuation date.[54] The discount rate is determined by analyzing the WACC.

77. In my application of the Income Approach, I have prepared a DCF analysis based on the Company's budget for the fiscal years ending December 31, 2021 and 2022 which are presented in Exhibit B of the MIPA.[55] Projections for the six-week period of 2021 following the November 15, 2021 close are based on the monthly budgets for 2021 as presented in the MIPA. The full- year 2022 budget as presented in the MIPA is also used.

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[51] ASA at 28.

[52] Pratt at 175.

[53] ASA at 21-32.

[54] Pratt at 219-20, 242.

[55] JX065, Exhibit B.

78. In order to derive financial projections for the fiscal years ending December 31, 2023 through 2025, I applied revenue growth rates of 25.0%, 20.0%, and 15.0% in 2023, 2024, and 2025, respectively. The growth rates are based upon my assumptions regarding growth Malka would likely be able to achieve given its historical growth in 2019 and 2020 and expected growth in 2021 and 2022. I arrived at projected EBITDA figures by projecting an EBITDA margin of 9.0% in 2025 based on the average of historically achieved EBITDA margins in 2019 and 2020, as presented in the Project Queen financial and tax due diligence report prepared by CFGI as of October 5, 2021.[56] I linearly grow the EBITDA margin in 2023 and 2024 to reach this 9.0% margin by 2025.

79. I considered projections for a discrete five-year period because this is a well-established, court-endorsed period of time which is intended to represent one typical business cycle.

80. I assume a blended Federal and state corporate tax rate of 28.0% based on the U.S. Federal and New Jersey state corporate tax rates. I project capital expenditures to be 1.0% of projected revenues based on a blend of (a) the historical capital expenditures found in the 2019 and 2020 statements of cash flows, and (b) the guideline public companies' historical run rates. I project depreciation and amortization expense as 30.0% of capital expenditures based on the historical 2019 and 2020 run rate. I project net working capital to be 7.0% of revenue based on the trailing-twelve-month run rate.

81. Since delivering my report, I have come to learn from seller Patrick Capra's testimony, that the reviewed financials for Malka for 2019 and 2020 do not include $3.3 million in revenue from Malka Sports in 2019, and $4.6 million in revenue from Malka Sports in 2020. If these Malka Sports revenue numbers are added to the 2019 and 2020 Malka financials, the rate of growth from 2019 and 2020 to 2021 would be reduced.[57]

82. These projections are presented in my Exhibit 2.

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[56] JX020, at MoneyLion_01813360.

[57] *See generally* testimony of Patrick Capra.

a. *Weighted Average Cost of Capital*

83. I employed a WACC of 16.25%, based on my estimates of the cost of equity and the after-tax cost of debt described below.

84. Using this method, the WACC is comprised of the weighted costs of the various components of permanent financing, that is, the weighted costs of both debt and equity. The return on debt is adjusted to reflect that interest payments are deductible for tax purposes. The formula to determine the WACC can be written as follows:

$$WACC = R(d) \times (1 - T) \times (D/TC) + R(e) \times (E/TC)$$

where:

WACC	=	*Weighted average cost of capital*
R(d)	=	*Cost of debt*
T	=	*Tax rate*
D/TC	=	*Debt / total capital*
R(e)	=	*Cost of equity*
E/TC	=	*Equity / Total Capital*

85. My selection of the debt-to-total-capital ratio for the purposes of calculating the WACC is based on the guideline public companies, which are Fluent, Inc.; Dolphin Entertainment, Inc.; IZEA Worldwide, Inc; and Wilhelmina International, Inc. I selected a debt-to-total-capital ratio of 5.74% based on the median of these companies. I did not use the Gompers assumption of "an all-equity capital structure for Malka"[58] because I did not consider that to be appropriate. Were I to rely on his capital structure, that would lead to a higher WACC and a lower indicated enterprise value of the Company. A prudent hypothetical willing buyer would likely use cheaper debt over all equity[59], as shown in the capital structure of my guideline public companies.

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[58] Gompers Report, p. 24.

[59] Per Trugman, Gary R., *Understanding Business Valuation, A Practical Guide to Valuing Small to Medium Sized Businesses*, Fifth Edition, 2017 at 206 and 554.: *"The economic return to debt holders is interest, and the stockholders' (partners' or members') equity section of the balance sheet is referred to as the equity capital of the business. The economic return to equity holders is profit. Equity capital and debt capital enjoy different rights and risks and,*

86. Using the median capital structure observed for the selected guideline public companies, I was able to calculate the estimated cost of equity by applying the MCAPM. As discussed in Section IV.D of this report, the following describes the MCAPM formula and the inputs I used to estimate the cost of equity:

a. $R(e) = E(Ri) = Rf + (\beta \times RPm) + RPs +/- RPc$

b. *E(Ri)* = Required return on equity or cost of equity.

c. *Rf* = The risk-free rate. This is the rate of return generated by the risk-free security, typically the interest rate on long-term bonds issued by the United States Government for United States domiciled investments. The risk-free rate of 2.05% was selected based on the yield of 20-year United States Treasury bonds as of the November 15, 2021 Valuation Date.[60]

d. β = Beta measures the level of risk of a specific stock compared to the overall stock market, typically represented by the S&P 500 Index. A beta of 1.0 means the stock being valued has risk commensurate with the overall market. A beta higher than 1.0 is deemed riskier than the overall market, and a beta lower than 1.0 is deemed less risky. The levering process adds consideration of the capital structure and tax rate of the company being valued. Five-year monthly levered betas were obtained from Capital IQ for the selected guideline public companies and were unlevered based on each company's capital structure and effective tax rate as of the Valuation Date. I selected Dolphin Entertainment, Inc.'s unlevered beta of 1.72 as I believe this company to be most comparable to

therefore, generally have very different rates of expected returns….The theory behind a WACC is simple. Because a company is financed partly with debt and partly with equity, the return on investment should consider the risk of each element. , if the benefit stream comprises both debt and equity, it would seem logical that the risk is reduced on the overall capital for the investors."

[60] Sourced from S&P Capital IQ.

Malka. The unlevered beta[61] of 1.72 was re-levered at the estimated industry optimal capital structure (estimated based on the median of the guideline public companies and their tax rates) to a levered beta[62] of 1.80.

e. *RPm* = The equity risk premium. This reflects the incremental return required by market participants to account for the difference in risk between the risk-free rate and the overall stock market. An equity risk premium of 6.00% was selected based on the Kroll Cost of Capital Navigator's cost of capital inputs as of the Transaction Date, reflecting the long-horizon expected risk premium (supply-side).[63]

f. *RPs* = The size premium. This accounts for incremental rates of return required by investors to invest in smaller, more risky companies. I have applied a size premium of 3.21%, also based on the Kroll Cost of Capital Navigator, reflecting the incremental return required for companies with market capitalizations ranging from $2.194 million to $451.800 million[64], commensurate with the Transaction-implied enterprise value of $75.0 million less the Company's September 30, 2021 $1.9 million net debt balance.

g. *RPc* = Since investors typically require additional returns to compensate for the incremental risk of investing in specifically identified privately held companies over small public companies, I have added a company-

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[61] Unlevered Beta = Observed Beta / [1 + (1 - Tax Rate) * (D/E)].

[62] Levered Beta = Unlevered Beta * [1 + (1 - Tax Rate) * (D/E)].

[63] Kroll. *Cost of Capital Inputs – Risk-Free Rates and Equity Risk Premium*, Cost of Capital Navigator. https://costofcapital.kroll.com/coc-inputs/rfr-and-erp. (Last visited October 25, 2024)

[64] Kroll. *Cost of Capital Inputs – Size Premium*, Cost of Capital Navigator. https://costofcapital.kroll.com/coc-inputs/size-premium. (Last visited October 25, 2024)

specific risk premium of 1.0%. This is intended to capture the risks of the Company as compared to the industry. My selected risk premium reflects consideration of factors such as the projection risk given the Company's negative historical profitability and the sizable revenue growth and margin improvement assumed in the projections. This also considers the risk associated with the ability of the four sellers of Malka to leave the Company after 2022, given the lack of provisions in the MIPA preventing them from doing so without penalty.

87. Based on the inputs described above, I have calculated a cost of equity of 17.08% for Malka.

88. To estimate the after-tax cost of debt, I applied my estimated tax rate of 28.0% to the pre-tax cost of debt of 3.33%, which represents the average yield of constituent corporate bonds that have been given Moody's Baa credit rating as of the Valuation Date. The resulting post-tax cost of debt is 2.40%.

89. Based on the estimated cost of equity, after-tax cost of debt, and an industry-based debt and equity structure, I calculated a WACC of 16.25%. I applied a sensitivity of 1.0% on both the high and low ends of my discount rate range to arrive at a range of 15.25% to 17.25%.

90. These WACC calculations are presented in my Exhibit 4.

b. *Terminal Value*

91. The terminal value (also called the residual value) is the value as of the end of the discrete projections period in a DCF model.[65] Key to this definition is the assumption that a business being valued does not simply close or go out of business at the end of the projection period. Unless clearly specified, the business is assumed to continue and generate positive cash flow and/or earnings.

[65] ASA at 31-32.

92. The Gordon Growth model is used in the business valuation community to determine the value of the company not captured by the discrete projection period.[66] The last projected year's earnings are increased by the assumed perpetual growth rate, are then capitalized by the capitalization rate (calculated as the WACC less the selected perpetual growth rate) and finally discounted back to a net present value to estimate the terminal value after the projection period. The terminal value plus each of the projected year's present values equals the indication of value derived from the DCF method.

93. In my estimation of the terminal value of the Company, I apply a terminal growth rate of 3.0% to the 2025 revenue to arrive at the terminal revenue figure. In my sensitivity analysis, I applied a range of 2.5% to 3.5%. The selected growth rate is based on projected long-term growth rates provided in industry reports published by IBISWorld for digital advertising agencies,[67] video post-production services,[68] and audio production studios.[69] I apply the projected 2025 EBITDA margin of 9.0% to arrive at the terminal-year EBITDA. I set the depreciation and amortization expense equal to the capital expenditures for the terminal year, while my net working capital and capital expenditure assumptions remained consistent with the discrete period. I then divided the calculated terminal-year free cash flow by the capitalization rate (calculated by subtracting the terminal growth rate from the discount rate) in order to derive the residual value at the terminal year. I discounted this residual value to the present at the WACC.

c. *Income Approach Conclusion*

94. I applied the concluded WACC to discount the Company's projected free cash flows in the discrete and terminal periods and then summed the present values of the discrete and terminal period cash flows.

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[66] *See* Pratt, *Valuing a Business* at 242, *"represent[s] a technically correct simplification of the basic discounted economic income model, provided that the critical assumption underlying this simplification is met – that is, the economic income variable is expected to have a constant average annually compounded rate of growth in perpetuity."* (emphasis omitted).

[67] Le, Thi. *Digital Advertising Agencies*, IBISWorld, August 2021.

[68] Ristoff, Jared. *Video Postproduction Services in the US*, IBISWorld, November 2021.

[69] Egan, Sean. *Audio Production Services in the US*, IBISWorld, May 2021.

This resulted in an indicated enterprise value of $18.3 million. This analysis is presented in Exhibit 2. Based on my WACC and terminal growth rate ranges, I derived a range of enterprise value of $17.2 million to $19.6 million for the Company as of November 15, 2021.

Discount Rate	Long-term growth rate 2.5%	3.0%	3.5%
15.25%	**$19,600**	$20,300	$21,100
16.25%	$17,800	**$18,300**	$19,000
17.25%	$16,200	$16,700	**$17,200**

4. Valuation Conclusion

95. The below table illustrates my indicated ranges of enterprise value for Malka as of November 15, 2021. I assigned weightings of 50%, 40%, and 10% to the DCF analysis, the public company analysis, and the transaction analysis, respectively. The weightings are based on my assessment of the strengths and weaknesses of each valuation approach.

$ in thousands

		Malka Media Group LLC		
Valuation Methodology	**Weighting**	**Low**	**Mid**	**High**
Income Approach: Discounted Cash Flow Analysis	50.0%	$17,200	$18,300	$19,600
Market Approach: Public Company Analysis	40.0%	19,200	20,850	22,500
Market Approach: Transaction Analysis	10.0%	25,900	27,200	28,500
	100.0%			
Indicated Enterprise Value Range (rounded)		**$18,900**	**$20,200**	**$21,700**

96. **Based upon the facts, assumptions, and procedures described herein, it is my opinion that the range of Fair Market Value of Malka as of November 15, 2021 is $18.9 million to $21.7 million.**

5. Alternate Scenario

97. For purposes of addressing the assertions related to damages in the hypothetical scenario where the claims asserted in the Gompers Report are accepted by the Court, I was instructed by Counsel to prepare an alternate scenario. Under this scenario, I estimated the fair market value of the Company at the

Transaction Date considering certain revenue and EBITDA assumptions in Gompers' "But For" analysis. I applied the same valuation approaches and methods I used in my Fair Market Value analysis discussed above.

98. I performed a DCF analysis under the Income Approach, as well as two Market Approach analyses. The details regarding the assumptions I used and how they differ in this alternative scenario from my Fair Market Value analysis are discussed in Appendix C. My conclusions are presented in the table below:

Alternate Scenario
$ in thousands

		Malka Media Group LLC		
Valuation Methodology	**Weighting**	**Low**	**Mid**	**High**
Income Approach: Discounted Cash Flow Analysis	50.0%	$5,100	$5,700	$6,400
Market Approach: Public Company Analysis	40.0%	18,700	20,300	21,800
Market Approach: Transaction Analysis	10.0%	24,700	25,900	27,100
	100.0%			
Indicated Enterprise Value Range (rounded)		**$12,500**	**$13,600**	**$14,600**

99. The difference between my concluded range of value under my Fair Market Value analysis of $18.9 to $21.7 million and this alternate scenario concluded range of $12.5 to $14.6 million ranges from $6.4 to $7.1 million. Thus, this illustrates that under fair market value at the Transaction date, Gompers' quantification of asserted damages to MoneyLion is grossly overstated. Gompers applies a 25% discount to Malka for lack of liquidity. Gompers should also have applied a 25% or 30% discount for lack of liquidity to the $30 million of restricted shares paid at the closing.

100. I note that the projections Gompers uses in his "But For" scenario are based on a statement by MoneyLion's CFO as to, hypothetically, what is, in his opinion, the highest EBITDA margin for Malka in the "But For" world[70]. Gompers makes no attempt to substantiate this statement. Based on my study of the data, I have no reason to believe performance would be so limited.

[70] Gompers Report, Figure 8, footnote 4.

C. <u>Opinion 3: The $75 mm Purchase Price for Malka Was Based Primarily on Anticipated Synergies</u>

101. The purchase price of $75 million that MoneyLion agreed to pay for Malka was based primarily on anticipated synergies from adding Malka's digital marketing suite of services to MoneyLion's banking platform. I understand that Malka had been providing services to MoneyLion for several years prior to the Transaction and that MoneyLion approached Malka about a potential transaction. Thus, MoneyLion was likely familiar with Malka's capabilities, age and size. It is clear that expectations of potential synergies that a transaction could facilitate with MoneyLion's existing business was the primary driver of MoneyLion's interest in acquiring Malka. I assume, based on the data available, MoneyLion saw more synergistic value from Malka than a hypothetical, willing buyer would see.

102. When I consider the significant difference between my Fair Market Value estimate of $20.2 million and Gompers's investment value of approximately $60 million, I can only conclude that MoneyLion, with upfront payments of $10 million cash and $30 million in stock, was anticipating significant near-term synergies in the form of cost savings from Malka's creative platform and talented workforce. The subsequent years' earnouts appear to be common transactional practices to reward post-Transaction performance.

1. Numerous MoneyLion Sources Discuss Potential Synergies Achievable With an Acquisition of Malka

103. Numerous MoneyLion sources mention potential synergies that MoneyLion considered to be achievable with an acquisition of Malka. Potential benefits discussed in these documents include anticipated revenue increases and cost benefits such as reductions in customer acquisition costs. The specific documents which discuss potential synergies include the following:

a. From Project Queen Overview, July 2021:

i. *"Aggregating a network of both 1st and 3rd party products is critical to becoming a trusted source of advice"*[71]

[71] PX071, at MoneyLion_01831201.

ii. *"…by adding engaging, personalized content and a marketplace network, we will emerge as the industry's first full-scale aggregator."*[72]

iii. *"Accelerates "daily destination" end-game with engagement lead acquisition and growth strategy…"*[73]

iv. *"…clear fit within the MoneyLion logical architecture"*[74]

b. From MoneyLion Board Meeting Minutes, November 9, 2021:[75]

i. *"A discussion ensued on MALKA's content capabilities and its strategic fit within the Company's vision, with Messrs. Choubey and Correia discussing the creation of influencer content to drive engagement on the Company's platform and the potential for new affiliate partnerships with MALKA's existing clients."*

ii. *"Mr. Correia added that the MALKA acquisition aligned with the Company's previously stated communications strategy regarding mergers and acquisitions activity to add content capabilities that increase customer engagement with Company and affiliate products."*

c. From the MoneyLion Board Meeting presentation on November 9, 2021 entitled "Q3 2021 Meeting of the Board of Directors":[76]

i. Malka is referred to as "*[a] category leader & innovator in digital media content*" and "*a diversified and fully integrated digital media ecosystem reaching today's always-on consumer.*" The presentation also stated, "*MALKA is leading in the fastest growing digital media sectors….a $1T+ annual market opportunity and rapidly expanding.…MALKA is capturing the entire consumer content landscape….MALKA is designed for hyper scale across all emerging channels and has powered significant growth.*"

ii. The presentation referred to the Transaction as a *"Strategic Combination Building FinTech 3.0."* According to the presentation, Malka and MoneyLion had *"A Shared Vision: Disrupting & Rewiring legacy industry models. MALKA's content engine will be integrated with MoneyLion's personalization technology to power*

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[72] PX071, at MoneyLion_01831202.

[73] PX071, at MoneyLion_01831212.

[74] PX071, at MoneyLion_01831215.

[75] PX145, at MoneyLion_02038256.

[76] PX146, at MoneyLion_02038445 - MoneyLion_02038455.

consumer advice at scale inside the app platform and across all social channels. MoneyLion customers to consume hyper-personalized content, advice, and education which will inform real-time financial decisions within MoneyLion feeds. MoneyLion's members will be able to activate financial solutions and purchase products while consuming personalized content. Integrating product, advice and marketplace will make MoneyLion the first full- scale aggregator."

iii. The presentation states that *"The Opportunity"* of the Transaction:

1. *"Accelerates 'daily destination' end-game with engagement lead acquisition and growth strategy:*
    a. *Leverage capabilities to create proprietary content*
    b. *Create growth loops through network relationships*
    c. *Use established influencer network as MoneyLion spokespeople*
2. *Ready built 'network engine' equipped with business development and content management system capabilities*
3. *Immediate access to creative & content production marketing talent, with proven team that has a longstanding relationship with MoneyLion."*

iv. The presentation went on to describe the "Business Lines" as including "Creative content production that also offers integrated project & financial mgmt.. systems and meta-tagging for content (through AWS)"; "Comprehensive marketing solutions to leverage entertainment focused content; develops their own proprietary content"; and "Emerging agency model combined with consultative platform approach and broad access creates a captive group of influencers."

d. From additional material in this same presentation at the MoneyLion Board Meeting on November 9, 2021:[77]

i. The '*Transaction Overview*' slide in the presentation to the Board entitled "*MoneyLion & MALKA: Strategic Combination Building Fintech 3.0*" included the following:

1. Purchase price of $75mm

[77] PX146, at MoneyLion_02038456 and MoneyLion_02038457.

2. Statement indicating valuation was based on Malka revenue multiples of 2.7x for 2021 and 2.5x for 2022

3. Indications of MoneyLion revenue valuation multiples presented, presumably to demonstrate that the Malka multiples were lower than the market pricing of MoneyLion.

4. Requirements for Malka metrics needed for the sellers to receive the 2021 and 2022 earnouts, which included achieving revenue of $25mm in 2021 and $30mm in 2022 and EBITDA targets of $100,000 each year.

ii. The 'Financial Overview' slide in that same presentation included 2021 and 2022 projections of revenue and gross profit for Malka as well as MoneyLion.

iii. This presentation includes no mention of Malka EBITDA projections. This is a notable change from the June 11, 2021 Malka presentation to MoneyLion, and the July 2021 MoneyLion presentation, both of which included projections both of Malka revenue and EBITDA.[78]

iv. The projected Malka revenues in this November presentation to the Board were $27.7mm for 2021 and $30.4mm for 2022. These were considerably lower than the revenue projections used in the June 11, 2021 presentation and July 2021 presentation of $32.4mm for 2021 and $46.8mm for 2022.

104. I observe the following:

a. The purchase price of $75mm in the November presentation is unchanged from the amount proposed in the June and July presentations, despite the decrease in the revenue projections and the findings by CFGI in their diligence analysis that certain adjustments may be needed to the Malka financial statements.

b. The EBITDA targets needed for Malka's sellers to receive the earnouts were only $100,000 in 2021 and 2022, despite an increase in revenue target in 2022 over 2021. These are relatively nominal EBITDA targets which seem to indicate that MoneyLion did not have expectations of significant profitability from Malka in the short term. Further, the MIPA stipulates that the expected recognition of the New Jersey Digital Media Tax Credit can be applied to the EBITDA calculation for the period in which this tax credit is applied for.[79] The MIPA indicates that this application would be expected to occur in 2021 and thus applied to 2021

[78] PX061, at MoneyLion_01831237; PX071, at MoneyLion_01831213.

[79] JX065, Schedule B.

EBITDA.[80] The actual tax credit in 2021 was $890,905 and this amount was added to EBITDA in MoneyLion's evaluation of Malka's results.[81] I understand there was also a tax credit applied for in 2022. Thus, given the expectation of the receipt of this tax credit in these years, it is possible that Malka could have experienced sizably negative EBITDA before application of the tax credit, but after the tax credit was applied, would exceed the $100,000 EBITDA threshold for the earnout.

c. Thus, it is apparent that MoneyLion was not evaluating Malka primarily based on revenue projections or Malka's ability to impact EBITDA, but was instead focused on the synergistic impacts of the acquisition. This assertion is further supported by the unchanged $75mm purchase price despite the lower November revenue projections as compared to June and July, as well as the findings of the CFGI diligence report[82] that some Malka numbers were not consistent with GAAP.

d. From the November 16, 2021 MoneyLion Press Release announcing the acquisition:[83]

i. *"….we will create a durable advantage that accelerates MoneyLion's customer growth and helps us serve our mission of providing financial access and advice…." (quoting Dee Choubey)*

ii. *"Through this acquisition, which we anticipate will be accretive and cash flow positive in 2022, we will now be able to fully leverage MALKA's capabilities…." (quoting Dee Choubey)*

iii. *"….Investing in evergreen content and building a platform where creators and consumers can come together is a more efficient and smarter way to support our marketing investments and brand building. This fundamental shift will allow us to own and not rent the relationships we are cultivating with new and existing MoneyLion customers," commented Bill Davaris, CMO of MoneyLion."*

105. While the following citations about the anticipated synergies expected by MoneyLion are dated after the Transactions, they show the ongoing importance of the synergies from the Malka acquisition.

a. From the MoneyLion December 31, 2021 10-K filing:[84]

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[80] Id.

[81] JX083, at MoneyLion_01826070. The amount of the 2021 tax credit is presented on page 5 of this document.

[82] JX020.

[83] MoneyLion Acquires Leading Creator Network and Content Platform, MALKA Media, November 16, 2021.

[84] PX214 at 11.

i. *"Our acquisition of MALKA accelerates our ability to engage with consumers across all digital and emerging channels, allowing us to expand our vision of a daily destination….We estimate that in the fourth quarter of 2021, MALKA's content creators provided over 69 million MoneyLion brand impressions. MoneyLife will drive additional prospective customers to MoneyLion and increase customer engagement and cross-sell opportunities for both MoneyLion and its affiliate partners….MALKA's content capabilities can drive industry-leading customer acquisition and retention at scale to help accelerate MoneyLion's customer growth. By combining MALKA's capabilities with MoneyLion's financial products and extensive first-party data, we hope to turn the MoneyLion mobile application into a daily destination for our customers with personalized content that educates, informs, and supports customers' financial decisions."*

b. From the MoneyLion March 10, 2022 Earnings Call:[85]

i. *"The creator network becomes a brand amplification engine for MoneyLion to engage with fans who are actively turning to social channels for financial education and opportunities."*

ii. *"We estimate Malka's creators provided over 69 million MoneyLion brand impressions in Q4 alone, and this doesn't include a $4 million earned brand benefit that MoneyLion achieved through Malka's network to create a massive Super Bowl campaign hosted by Mike Tyson."*

iii. *"From a performance perspective, we continue to see strong unit economics. We saw 60%-plus adjusted gross profit margins, we had a $70 average revenue per user with upside to over $135 for mature cohorts, and from an acquisition perspective we continue to see efficient payback periods with a less than six month payback period on customer acquisition costs."*

iv. *"When you look at what our trend was in terms of CAC, we've always had that market leading CAC. We saw a slight increase to that when were in Q3, and in Q4 we saw that coming back in, and that's part of that strategy in terms of the brand awareness and the investment that we've made with the Malka Media acquisition. We continue to see that translate into what is a low 20s CAC for us, and so that's where you'll see the value from those impressions."*

c. From the CFGI Valuation Report, dated March 15, 2022:[86]

[85] PX218.

[86] PX176 at MoneyLion_01824565.

i. The 'Transaction Rationale' section quotes Dee Choubey: *"We have seen first-hand how Malka's content capabilities can drive industry-leading customer acquisition and retention at scale. By combining their capabilities with MoneyLion's financial products and extensive first party data, we will create a durable advantage that accelerates MoneyLion's customer growth and helps us serve our mission of providing financial access and advice to hardworking Americans."*

d. From the MoneyLion May 12, 2022 Earnings Call:[87]

i. *"So look this is the big differentiator for MoneyLion. Our investments in the today [ph] fee where the strategy is to become the daily destination for money, adjacent conversations powered by influencers, creators by owning the culture of money is driving a lot of word of mouth as well as social proliferation of the MoneyLion brand and the MoneyLion product."*

e. From an article interviewing the MoneyLion CEO in June 2022:[88]

i. *"The Malka platform is already paying off big time helping the company decrease their CAC. From Q4 '21 to Q1 '22, the company's CAC (customer acquisition cost) decreased from $25 to $16, allowing the company to achieve a less than 6 month payback period. Powerful….On top of the synergies for the consumer app, it is important to point out just how powerful Even Financial & Malka are as standalone entities….Malka Media was expected to do more than $25 m in 2021 revenue and expected to be cash flow positive in 2022."*

f. From the MoneyLion August 11, 2022 Earnings Call:[89]

i. *"We continued to add record new customers in the quarter while reducing our customer acquisition cost for the quarter as well. This continues to be a key differentiator for MoneyLion, and we expect to build on this advantage. Lastly, our Media division, which was established through our acquisition of MALKA Media, generates revenue from providing content production and management and creator and influencer management services to creators, influencers, and corporate clients - an important benefit for generating Enterprise revenue. We also realize synergies by providing low-cost content and customer acquisition in our Consumer business."*

[87] PX238.

[88] PX241.

[89] PX249.

g. From the MoneyLion November 10, 2022 Earnings Call:[90]

> *i.* *"Our ownership of a content studio truly gives us differentiated customer acquisition and retention capabilities….the synergies that we talked about that we would be realizing through the Even and the MALKA acquisitions are really manifesting themselves in the new customer ads….With a consistently low CAC, a compounding data strategy and an expanding network of enterprise partners, we're able to both drive better outcomes for our customers and scale our business efficiently."*

2. Quantifying the Expected Synergies

106. In order to quantify the buyer-specific synergies associated with MoneyLion's acquisition of Malka, I considered both revenue and cost savings synergies resulting from the Transaction. My estimate of the quantifiable benefit of these synergies is based in part on assumptions and facts that were not knowable as of the transaction date, but I was able to rely on assumptions that were knowable within a year of the closing of the transaction. My estimate of the synergies is $48.8 million.

a. __Revenue Synergies__

107. The revenue synergies are the cash flows associated with the additional revenue derived from new MoneyLion customers acquired as a direct result of the Malka acquisition, specifically Malka customers that might not otherwise have become MoneyLion customers.

108. I started with the 2021 customer base growth rate of 135.7%, based on comparing the actual reported MoneyLion customer count as of year-end 2021 to the prior year-end count. I then projected the customer base growth for the years 2022-2025, incrementally tapering down the growth rate, and adding a terminal year with the same 3.0% terminal growth rate assumptions as the DCF analysis for in my Fair Market Value analysis. I note that these tapered growth rates are lower than the actual growth rates in 2022

[90] PX260.

and 2023 achieved by MoneyLion (based on information reported in MoneyLion December 31, 2023 10-k filings).

109. Based on these growth assumptions, I determined the number of new MoneyLion customers added each year. I assumed that 5.0% of new MoneyLion customers acquired can be attributed to Malka – in other words, in the absence of the Malka acquisition, MoneyLion would not have attained these customers. I consider this to be a conservative assumption and expect the actual percentage could be significantly higher, thereby increasing the indicated synergy value.

110. I then multiplied the number of new customers MoneyLion attributed to Malka by the twelve-month average revenue per user ("ARPU") of $70, sourced from the fourth-quarter and full-year 2021 earnings call transcript dated March 10, 2022.[91] I multiplied the resulting revenue figure by the EBITDA margin for each year to derive the earnings associated with the additional revenue. Tax expense was then applied to calculate the post-tax cash flow each year.

	11/15 - 12/31		FY			Terminal
FYE December 31,	**2021**	**2022**	**2023**	**2024**	**2025**	**Year**
$ in thousands	*1.5 months*	*12 months*	*12 months*	*12 months*	*12 months*	*12 months*
Revenue Synergies						
Annualized MoneyLion customer base growth assumption	135.7%	75.0%	25.0%	25.0%	20.0%	3.0%
# of new MoneyLion customers acquired	342,455	2,475,000	1,443,750	1,804,688	1,804,688	324,844
% Attributed to Malka	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
New MoneyLion customers attributed to Malka	***17,123***	***123,750***	***72,188***	***90,234***	***90,234***	***16,242***
MoneyLion customer base as of FYE	3,300,000	5,775,000	7,218,750	9,023,438	10,828,125	11,152,969
MoneyLion ARPU (in actual $)	$ 8.94	$ 70.00	$ 70.00	$ 70.00	$ 70.00	$ 70.00
New MoneyLion customers attributed to Malka	17,123	123,750	72,188	90,234	90,234	16,242
MoneyLion ARPU (in actual $)	$ 8.94	$ 70.00	$ 70.00	$ 70.00	$ 70.00	$ 70.00
Revenue synergies	$ 153	$ 8,663	$ 5,053	$ 6,316	$ 6,316	$ 1,137
(x) MoneyLion EBITDA margin	8.8%	0.4%	3.3%	6.1%	9.0%	9.0%
Net revenue synergies	**13**	**39**	**167**	**388**	**568**	**102**
(-) Tax expense	(4)	(11)	(47)	(109)	(159)	(29)
Post-tax net revenue synergies	**$ 10**	**$ 28**	**$ 120**	**$ 280**	**$ 409**	**$ 74**

[91] PX218.

b. __Cost Synergies__

111. I understand that the primary synergistic benefit from the transaction is MoneyLion's savings on marketing costs with Malka serving as MoneyLion's in-house content creation team post-Transaction.

112. A newsletter posted on Workweek entitled "MoneyLion: Sitting Down With the CEO" stated that the Malka acquisition reduced MoneyLion's customer acquisition cost ("CAC") from $25 to $16 between 4Q21 and 1Q22.[92] This implies a reduction in CAC of $9 per customer. Although this was published on June 23, 2022, I consider it reasonable to rely on these estimates as they were knowable before, or certainly within several months of, the Transaction.

113. I can therefore calculate the costs that Malka saves MoneyLion as the $9 per customer reduction in CAC multiplied by the number of all new MoneyLion customers acquired. I used the estimate of new MoneyLion customers acquired each year that I used in my analysis of revenue synergies described above, and multiply that number of new clients by the CAC reduction of $9.

114. My analysis assumes that MoneyLion incurs these cost savings on all newly acquired customers, not just those brought in by Malka products specifically. This assumption is based in part on the following quote from the Workweek newsletter: "The Malka platform is already paying off big time helping the company decrease their CAC. From Q4 '21 to Q1 '22, the company's CAC (customer acquisition cost) decreased from $25 to $16, allowing the company to achieve a less than 6 month payback period."[93]

115. I tax-affected these cost savings to calculate the post-tax incremental cash flow each year.

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[92] PX241.

[93] Id.

FYE December 31, *$ in thousands*	**11/15 - 12/31** **2021** *1.5 months*	**FY** **2022** *12 months*	**2023** *12 months*	**2024** *12 months*	**2025** *12 months*	**Terminal Year** *12 months*
Cost Synergies						
CAC reduction per customer (in actual $)	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00
Total # of new MoneyLion customers acquired	342,455	2,475,000	1,443,750	1,804,688	1,804,688	324,844
Total CAC savings	**$ 3,082**	**$ 22,275**	**$ 12,994**	**$ 16,242**	**$ 16,242**	**$ 2,924**
(-) Tax expense	(863)	(6,237)	(3,638)	(4,548)	(4,548)	(819)
Post-tax cost synergies	**$ 2,219**	**$ 16,038**	**$ 9,356**	**$ 11,694**	**$ 11,694**	**$ 2,105**

c. Synergy Value Estimate

116. I summed the post-tax revenue and cost savings synergies, discounted them at the WACC of 16.25% applied in my DCF analysis (to reflect an estimate of the risk profile of the synergies[94]) and capitalized the terminal year synergy cash flow.

117. I summed up the discrete period and terminal year synergies to arrive at the total indicated synergies of $48.8 million. This analysis is presented below, as well as in my Exhibit 14.

FYE December 31, *$ in thousands*	**11/15 - 12/31** **2021** *1.5 months*	**FY** **2022** *12 months*	**2023** *12 months*	**2024** *12 months*	**2025** *12 months*	**Terminal Year** *12 months*
Total Synergies						
Post-tax net revenue synergies	$ 10	$ 28	$ 120	$ 280	$ 409	$ 74
Post-tax cost synergies	2,219	16,038	9,356	11,694	11,694	2,105
Total post-tax synergies	**$ 2,229**	**$ 16,066**	**$ 9,475**	**$ 11,974**	**$ 12,104**	**$ 2,179**
Partial period factor	1.0000	1.0000	1.0000	1.0000	1.0000	
Discount period	0.0639	0.6278	1.6278	2.6278	3.6278	
Present value factor: WACC 16.25%	0.9904	0.9098	0.7826	0.6732	0.5791	
Present value of synergy cash flows	**2,207**	**14,617**	**7,416**	**8,061**	**7,009**	

Sum of the Present Value of Discrete-Year Synergies	$ 39,311	
Present Value of Terminal Synergies	9,522	
Indicated Value of Synergies (rounded)	**$ 48,800**	*(8)*

Terminal Value: Gordon Growth Model

Terminal-year post-tax synergies	$ 2,179
Divided by capitalization rate	13.25%
Residual value at terminal year	16,443
Present value factor	0.5791
Present value of terminal synergies	9,522

[94] I applied the same WACC that I estimated for Malka for purposes of discounting the synergies in this analysis. However, I recognize that there may be different risk factors applicable to MoneyLion.

D. <u>Opinion 4: Industry transactions in the digital marketing space are based on capturing market share.</u>

118. Industry transactions in the digital marketing space have been based primarily on capturing market share and achieving revenue growth. This is evidenced by the fact that revenue multiples are the basis for pricing acquisitions in this industry, not multiples based on EBITDA or other measures of profitability.

1. *Reported Metrics for Public Companies and Market Transactions*

119. This is clearly illustrated when considering two of my publicly traded comparable companies in the digital marketing space. One of these companies, Dolphin Entertainment, Inc. ("Dolphin")[95], was cited in the Gompers Report as a comparable company and is included in my Market Approach analysis. IZEA Worldwide, Inc. ("IZEA")[96] is another company in the industry that I included in my Market Approach. Both Dolphin and IZEA have had negative EBITDA margins historically but are publicly traded. For valuation purposes, given their negative margins, revenue multiples must be relied upon for their valuations. A DCF valuation that includes negative EBITDA for some time periods may not be an impediment to calculating projections for a DCF valuation.

120. The reliance in this industry on revenue multiples instead of multiples based on profitability for pricing transactions is also apparent when considering precedent transactions. I considered ten transactions involving digital marketing and content creation companies for which valuation and financial information was publicly available. These transactions took place during the three years leading up to the Transaction date. **I note that all but one of the ten transactions are priced based on revenue multiples rather than EBITDA multiples.** A summary of the pertinent information related to these transactions is presented in my Exhibit 15.

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[95] Dolphin operates as an independent entertainment marketing and production company in the United States. The company operates in two segments, Entertainment Publicity, and Marketing and Content Production. See Exhibit 7 in my analysis for additional description of this company's business.

[96] IZEA offers software and professional services to connect brands and content creators in North America, Asia Pacific, and internationally. See Exhibit 7 in my analysis for additional description of the company's business.

2. *Metrics Considered for SaaS, Subscription and Marketing Companies*

121. Revenue is a metric commonly used in the market to evaluate and/or price companies which provide software-as-a-service ("SaaS") as well as those that provide subscription services and marketing companies. These types of companies are relevant to Malka due to the way in which they deliver their products and services to customers.

122. SaaS is defined by Software Equity Group ("SEG") as a business model that "*Primarily offers solutions via the cloud and through a subscription or transaction-based pricing model*."[97] This description is applicable to Malka's products. SEG discusses the use of revenue multiples when valuing SaaS companies as follows: "*Heightened buyer demand for SaaS companies drove a breakout in EV/Revenue multiples over the prior trend. On an annual basis, M&A EV/Revenue multiples have nearly doubled over the past decade.*"[98]

123. The use of revenue multiples when valuing SaaS companies was also discussed by a fund which focuses on this market: "*Revenue growth is one of the most important considerations when valuing SaaS companies….Most high growth SaaS companies aggressively reinvest cash flow into research and development and sales and marketing. Revenue growth is typically more accretive than cash flow generation, particularly early in the development cycle. Today, SaaS unit economics are well understood and easily digested. As a result, the investor community has embraced cash burn when market dynamics and unit economics (sales and marketing efficiency, retention, etc.) support increased investment. Not surprisingly, most public SaaS companies were unprofitable as they scaled to $50 million in sales…at the time of their IPOs, only 43% of SaaS companies reported positive EBITDA margins.*"[99]

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[97] SEG (Software Equity Group) Annual Report, 2021.

[98] Id.

[99] River Cities SaaS Operating Metrics and Valuation Benchmark Study, 2017.

124. Revenue and customer retention are key metrics for subscription businesses, which is directly applicable since the Company's revenues are largely generated from subscription customers. Forbes discusses these metrics as follows: "*In traditional "asset" purchase models, customers pay a large amount upfront for the product or service as a perpetual license fee and then pay more for maintenance, support and upgrades. In the subscription business model, customers pay a subscription amount each month or year that is less than the traditional model while getting access to the latest version of the product or service as it is released. As you can imagine, most businesses in the past focused on filling the sales pipeline rather than retaining existing customers.* ***With the subscription model, the primary focus is on boosting customer retention for cross-selling and upselling."[100] [emphasis added]***

125. Finally, I considered critical metrics for marketing companies since Malka provides digital marketing services. Salesforce identifies the primary key performance indicators ("KPIs") considered by marketing companies as follows: *"KPIs focus on revenue…the three most common marketing KPIs align with the sales function…*"[101] Salesforce reported the following list of "Ranked popularity of Marketing Metrics/KPIs": (1) Marketing/sales pipeline; (2) Revenue; (3) Marketing/sales funnel; (4) Web/mobile analytics; (5) Customer retention rates; (6) Content engagement; (7) Customer acquisition costs; (8) Customer satisfaction metrics; (9) Customer referral rates/volume; (10) Customer lifetime value."[102]

126. None of these ten metrics are focused on profitability, but rather on revenue and factors which drive revenue growth such as customer retention and acquisition.

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[100] How A Subscription Business Can Increase Business Valuation, Forbes, October 26, 2020.

[101] State of Marketing, 9th Edition, Salesforce, 2024.

[102] Id.

3. *MoneyLion Had Significant Market Valuation Despite Negative Profitability*

127. The importance of revenue growth and market share gain, as well as lack of focus on profitability, in transactions and valuations of companies in the industries discussed is illustrated when considering certain metrics of MoneyLion itself shortly following the Transaction. MoneyLion reported negative EBITDA for the year ended December 31, 2021 of approximately -$67.2mm, which was a decline from 2020 year-end EBITDA of -$25.04mm.[103] MoneyLion was taken public on September 22, 2021 and as of the date of the Malka Transaction had a market cap of approximately $1.3 billion.[104] As of December 31, 2021 MoneyLion's market cap was approximately $0.92 billion.[105] Thus, the market was recognizing MoneyLion's value despite significantly negative EBITDA.

128. Malka's income statement and balance sheet for the nine-months ended September 30, 2021 were included in the Disclosure Schedules to the MIPA.[106] Malka's income statement for the nine-months ended September 30, 2021 reflects Net Ordinary Income of ($1,064,993.17).[107] I understand that Net Ordinary Income as used in Malka's income statement refers to Malka's EBITDA and that, for purposes of the 2021 earnout, MoneyLion calculated Malka's EBTIDA (before adjustments) using Malka's Net Ordinary Incomeas reflected in Malka's unadjusted income statement for the year ended December 31, 2021.[108] Thus, Malka's income statement for the nine-months ended September 30, 2021, which was included in the Disclosure Schedules to the MIPA, reflected negative EBITDA of ($1,064,993.17). This is consistent with my observation that MoneyLion does not appear to have been evaluating Malka based on Malka's ability

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[103] PX214 at 75.

[104] Sourced from CapitalIQ.

[105] Id.

[106] JX066, at MoneyLion_001076 - MoneyLion_001079.

[107] JX066, at MoneyLion_001076.

[108] JX083.

to impact EBITDA. I also note that any Malka EBITDA losses for that period (or for any period in 2021) would likely not have significantly impacted MoneyLion results, particularly given the large losses that MoneyLion had for the year 2021.

Bruce B. Bingham

Bruce B. Bingham
Dated: December 19, 2024

IX. <u>Appendices</u>

Appendix A - Bruce Bingham CV

BRG capstone

BRUCE B. BINGHAM, FASA

Employment History

June, 2015 to Present

BRG Transaction and Valuation Opinions, LLC
Managing Director
Mr. Bingham is a Managing Director of this affiliate company of the Berkeley Research Group, LLC, specializing in valuations of public and privately held businesses, equity interests, intangible assets, lost profits and business interruption. His work is used in connection with transactions, litigation, restructuring, arbitration, accounting and tax, and board advisory/management planning purposes.

December, 2006 to May, 2015

Capstone Valuation Services, LLC
Executive Director
Mr. Bingham was an Executive Director of this affiliate company of Capstone Advisory Group, LLC, specializing in valuations of public and privately held businesses, equity interests, intangible assets, lost profits and business interruption. His work was used in connection with transactions, litigation, restructuring, arbitration, accounting and tax, and board advisory/management planning purposes.

July, 2004 to November, 2006

Trenwith Valuation, LLC
Senior Managing Director
Mr. Bingham was Senior Managing Director of this affiliate company of BDO Seidman, LLP, specializing in valuations of public and privately held businesses, equity interests, intangible assets, lost profits and business interruption. His work was for transactions, litigation, accounting and tax, arbitration, and management planning purposes.

June, 1997 to June, 2004

BDO Seidman, LLP
Partner
Mr. Bingham was the National Practice Director of Valuation Services, specializing in valuations of public and privately held businesses, intangible assets, lost profits and business interruption. His work was for litigation, accounting and tax, and management planning purposes.

October, 1995 to May 1997

The Barrington Consulting Group, Inc.
Vice President and Member of the Executive Committee
Mr. Bingham was the co-national director of the Valuation Practice, and performed numerous valuations for litigation and non-litigation clients.

BRUCE B. BINGHAM, FASA, FRICS
(continued)

August, 1978 to October 1995

KPMG Peat Marwick, LLP

Principal
Mr. Bingham was the principal in charge of the Appraisal/Valuation Group in the New York Office. He directed hundreds of business valuations and testified as an expert witness before Federal and state courts as well as arbitration panels.

September, 1971 to August, 1976

The Connecticut Bank and Trust Company

Assistant Treasurer
Mr. Bingham was a commercial loan officer and assistant branch manager, with credit analysis and branch management responsibilities.

September, 1969 to April, 2001

United States Army

Lieutenant/Captain- Commanded ODA 115, Co. A, 11th Special Forces Group(Airborne), Division Postal Officer, 1st Air Cavalry Division, Republic of Vietnam
Major/Lieutenant Colonel-Commanded 408th Personnel Services Battalion, 77th USARCOM
Colonel-Commanded Training Support Brigade, 78th Division and Ministerial Advisory Team, Operation Just Cause, Panama
Brigadier General- Commanded 358th Civil Affairs Brigade, Operation Uphold Democracy, Republic of Haiti and the US Army Civil Affairs & Psychological Operations Command (Airborne), Ft Bragg, NC.
BG Bingham was awarded the Distinguished Service Medal, the Legion of Merit, the Defense Superior Service Medal, the Bronze Star, Air Medal, Special Forces Tab and US, Vietnamese, Australian, Venezuelan and Canadian Parachute Badges

EDUCATION

1978 **Yale School of Organization and Management,** New Haven, CT
Masters Degree in Public and Private Management (MPPM)

1968 **Rutgers College**, New Brunswick, NJ
Bachelor of Arts Degree in English

PROFESSIONAL AFFILIATIONS

Accredited Senior Appraiser and elected Fellow of the College of Fellows in Business Valuation, American Society of Appraisers (FASA), 1991-2021
Former Fellow, Royal Institute of Chartered Surveyors, in Business Valuation **(FRICS),** 2009
Chair, RICS-Americas Valuation Council, 2010-2011
Chair, Intangible Asset Valuation Workgroup, International Valuation Standards Committee, 2007-2008
Member of the Board of Governors, American Society of Appraisers, 2003-2007
Elected **Member** of the Business Valuation Committee of the ASA, 1994-2000
Elected **Chairman** of the Business Valuation Committee of the ASA, 2003-2005
ASA's **Liaison** to The Appraisal Foundation Advisory Council (TAFAC), Washington, DC (2001-3)
Founding **Member**, Business Valuation Subcommittee of the American Institute of Certified Public Accountants (AICPA) 1989-1995
Brigadier General (Ret.), United States Army

ARTICLES AND PUBLICATIONS

Business Divorce, Chapter 8, Valuation, ABA Book Publishing, ISBN 978-4-62722-864-0, 2014

"A Second Opinion on Fairness Opinions," published in Directorship Magazine, Volume XXI, Number 3, March, 2005.

U.S. Army Civil Affairs-The Army's "Ounce of Prevention," published by the Institute of Land Warfare Papers, Volume 41, March, 2003, with D. L. Rubini and M. J. Cleary.

"The Internal Revenue Service and Treasury Turn Up the Enforcement Heat on Abusive Tax-Related Appraisals and Those Who Prepare Them," published in Business Valuation Review, Volume 24, No. 3, Fall, 2005, by Jay Fishman, Bruce Bingham and Peter Barash.

"An Expert's View: Bingham Says…," published in Financial Valuation and Litigation Expert (FVLE), June/July 2006.
"An Expert's View: Bingham Says…Here's a concise progress report on valuation standards activity," August/September 2007FVLE
"An Expert's View: Update on new IVSC Valuation Standards, December 2011/January 2012 FVLE
"An Expert's View: New Rules for valuing trade related properties, October/November 2013 FVLE
"An Expert's View: Bingham Says…," published in Financial Valuation and Litigation Expert (FVLE), April/May 2015.

IVSC Discussion Paper on the "Determination of Fair Value of Intangible Assets for IFRS Reporting Purposes," July, 2007. Chair of IVSC Workgroup preparing the Discussion Paper.

Expert Experience

GardaWorld Consulting (UK) Limited versus Timothy Simon Spicer et al.
Supreme Court of the State of New York, County of New York, Index No:655352/2017
(Expert report, Reply Report and Deposition)

ISN Software Corporation Appraisal Litigation, (Petitioner)
Court of Chancery of the State of Delaware, Case No. 8388-VCG
(Testimony before Vice-Chancellor Glasscock, Expert and Rebuttal Reports, Deposition, Testimony at Trial)

DVI, Inc., et al., Debtors, versus Merrill Lynch & Co., Inc. et al.
United States Bankruptcy Court, District of Delaware, Case Nos. 03-12656 through 03-12658
(Expert Report and deposition)

Confidential Valuation of a Minority Interest in a National Football League team
Private Arbitration completed October, 2019
(Expert report, Rebuttal Report and Testimony)

Confidential Preliminary Valuation of a Minority Interest of a Company in the Motorsport Industry

Estate of Arnold Palmer
(*Expert report to the Internal Revenue Service on behalf of the Estate of Arnold Palmer, Completed February, 2020)*

Agency Within, LLC, Joseph Yakuel and Get Things Done LLC versus Andrew Gluck
American Arbitration Association Case No. 01-18-0004-1076
(Expert report and testimony- Case pending)

Almatis B. V., et al., Debtors. (Mezzanine Lenders)
United States Bankruptcy Court, Southern District of New York, Case No. 10-12308 (MG)
(Expert Report and deposition)

Lavrinoff & Builders Capital Group, LLC versus Meir Laufer, Plaza Capital Management, LLC & New York Wheel, LLC
Supreme Court of the State of New York, County of New York, Index No: 651153/13
(Expert Report and Deposition)

Tropicana Entertainment, LLC, et al., Debtors (Creditors Committee)
United States Bankruptcy Court, District of Delaware, Case No. 08-10856 (KJC)
(Expert Report and deposition)

Herbert R. Axelrod and Evelyn Axelrod versus Central Garden & Pet Co., Inc. et al
Superior Court of New Jersey, Monmouth County- Law Division, Docket numbers MON-L-5100-99 and MON-L-2127-99
(Expert report, deposition and jury testimony)

Sequoia Pacific Solar I, LLC and Eiger Lease Co, LLC versus The United States of America
The United States Court of Federal Claims, Case No. 13-139C, Judge Bruggink
(Expert Report and Rebuttal Report)

Miltope Corp. and IV Phoenix Group, Inc. versus DRS Technologies, Inc. et al
US District Court, Eastern District of NY, Docket No. CV 01/6545 (LDW)(ETB)
(Expert report and jury testimony)

David C. Soward, et al, versus The & Trust, et al (Bosack and Lerner)
American Arbitration Association Number 74 y 181 00129 04 LOPE
(Expert report and testimony)

Bank of New York Mellon et al v. Walnut Place LLC et al
Supreme Court of the State of New York, County of New York, Index No. 651786/2011
(Valuation report, deposition and testimony)

Gerald J. Gartner versus Crane & Co., Inc.
Resolutions LLC Arbitration, Boston, MA, June 2010
(Expert report, deposition and testimony)

Qantum Communications Corp. versus Star Broadcasting, Inc. and Ronald Hale, Sr.
United States District Court, Southern District of Florida, case number 05-21722-Martinez/Bandstra
(Expert report and testimony)

Hawkeye Renewables, LLC, et al, Debtors, (Chapter 11) (Lenders)
United States Bankruptcy Court, District of Delaware, Case No. 09-14461 (KJC)
(Expert report and Deposition)

As of June, 2024

Appendix B - Bingham FMV Exhibits

Exhibit 1
Malka Media Group LLC
Valuation Summary **Valuation Date: November 15, 2021**

$ in thousands

Valuation Methodology	Weighting	Malka Media Group LLC Low	Mid	High
Income Approach: Discounted Cash Flow Analysis	50.0%	$17,200	$18,300	$19,600
Market Approach: Public Company Analysis	40.0%	19,200	20,900	22,500
Market Approach: Transaction Analysis	10.0%	25,900	27,200	28,500
	100.0%			
Indicated Enterprise Value Range (rounded)		**$18,900**	**$20,200**	**$21,700**

Exhibit 2
Malka Media Group LLC
Discounted Cash Flow Analysis

Valuation Date: November 15, 2021

	FYE December 31, $ in thousands	11/15 - 12/31 2021 1.5 months	FY 2022 12 months	2023 12 months	2024 12 months	2025 12 months	Terminal Year 12 months
(1)	Revenues	$ 5,371	$ 37,986	$ 47,483	$ 56,979	$ 65,526	$ 67,492
	Year-over-Year Growth %	*na*	*27.8%*	*25.0%*	*20.0%*	*15.0%*	*3.0%*
(2)	EBITDA	472	170	1,566	3,504	5,897	6,074
	EBITDA Margin %	*8.8%*	*0.4%*	*3.3%*	*6.1%*	*9.0%*	*9.0%*
	(-) Depreciation and amortization expense	(16)	(114)	(142)	(171)	(197)	(675)
	EBIT	456	56	1,424	3,333	5,701	5,399
(3)	(-) Tax expense	(128)	(16)	(399)	(933)	(1,596)	(1,512)
	Net operating profit after tax	328	40	1,025	2,400	4,105	3,888
(4)	(+) Depreciation and amortization expense	16	114	142	171	197	675
(4)	(-) Capital expenditures	(54)	(380)	(475)	(570)	(655)	(675)
(5)	(+/-) Change in net working capital	(290)	(578)	(665)	(665)	(598)	(138)
(6)	**Free cash flow to the firm**	**0**	**(803)**	**28**	**1,336**	**3,048**	**3,750**
	Partial period factor	1.0000	1.0000	1.0000	1.0000	1.0000	
	Discount period	0.0639	0.6278	1.6278	2.6278	3.6278	
	Present value factor: WACC 16.25%	0.9904	0.9098	0.7826	0.6732	0.5791	
	Present value of debt-free cash flows	**0**	**(731)**	**22**	**899**	**1,765**	

Sum of the present values of discrete-year cash flows	1,955
Present value of terminal cash flow	16,390
Indicated Business Enterprise Value (rounded)	**$ 18,300**

	Terminal Year: Gordon Growth Model	
	Terminal year free cash flow to the firm	3,750
(7)	Divided by capitalization rate	13.25%
	Residual value at terminal year	28,301
	Present value factor	0.5791
	Present value of terminal cash flow	16,390
(8)	*Implied Exit Revenue Multiple*	*0.4 x*

Implied Multiples

	Revenue	EBITDA
1 Year Forward	0.5 x	nmf
2 Year Forward	0.4 x	nmf

Notes:
(1) *Terminal year projected growth rate is based on the IBISWorld industry reports for digital advertising agencies, video postproduction services, and audio production studios.*
(2) *Terminal year EBITDA margin is based on the expected FY 2025 EBITDA margin.*
(3) *Assumed effective blended federal and state tax rate of 28%.*
(4) *Projected capital expenditures in FY 2021-2025 and the terminal year are estimated to be 1.0% of revenues. Depreciation and amortization expense is estimated to be 30.0% of projected capital expenditures. Assumed depreciation and amortization equals capital expenditure in the terminal period.*
(5) *Projected net working capital in FY 2021-2025 and the terminal year is estimated to be 7.0% of projected revenues based on the net working capital as a percentage of LTM revenue as of September 30, 2021.*
(6) *Free cash flow available to equity and debt holders.*
(7) *The capitalization rate is equal to the weighted average cost of capital less the long-term growth rate.*
(8) *Implied exit multiple is based on the residual value and FY 2025 revenue.*

Sources:
(1) *2021.11.15 MIPA (execution) MoneyLion_01846450.pdf*

Exhibit 3
Malka Media Group LLC
Discounted Cash Flow Analysis Sensitivity **Valuation Date: November 15, 2021**

	Long-term growth rate		
Discount Rate	*2.5%*	*3.0%*	*3.5%*
15.25%	**$19,600**	$20,300	$21,100
16.25%	$17,800	**$18,300**	$19,000
17.25%	$16,200	$16,700	**$17,200**

Notes:
(1) *Weighted average cost of capital.*
(2) *Long-term growth rate is used to capitalize the terminal year cash flow into perpetuity.*

	Fluent, Inc. FLNT	Dolphin Entertainment, Inc. DLPN	IZEA Worldwide, Inc. IZEA	Wilhelmina International, Inc. WHLM		Median
Guideline Company Betas						
Equity (levered) beta	2.82	1.88	2.71	0.73	*(1)*	2.30
Debt-to-TIC	18.6%	11.0%	0.1%	0.5%		5.74%
Debt-to-equity	22.8%	12.3%	0.1%	0.5%		6.42%
Effective tax rate	27.1%	25.0%	25.0%	25.0%	*(2)*	25.00%
Asset (unlevered) beta	2.41	1.72	2.71	0.73	*(3)*	1.72

Target Company Beta

Selected asset (unlevered) beta		1.72
Target company debt-to-equity ratio		6.42%
Target company tax rate		28.00%
Target equity (relevered) beta		**1.80**

Target Company Cost of Equity (CAPM)

Risk-free rate	*(4)*	2.05%
Target equity (relevered) beta		1.80
(x) Equity risk premium	*(5)*	6.00%
(=) Industry risk premium		10.82%
(+) Size premium	*(6)*	3.21%
(+) Unsystematic risk factor	*(7)*	1.00%
Cost of equity		**17.08%**

Target Company Cost of Debt

Pre-tax cost of debt	*(8)*	3.33%
(x) [1 - Target company tax rate]		72.00%
After-tax cost of debt		**2.40%**

Weighted Average Cost of Capital (WACC)

	Return	Weight	Weighted Return
Cost of equity	17.08%	94.26%	16.10%
Cost of debt	2.40%	5.74%	0.14%
Weighted Average Cost of Capital (rounded)			**16.25%**

Notes:

(1) Based on 5-year monthly stock returns regressed against the S&P 500 index.
(2) Based on reported average of 2-year effective tax rate for each guideline company. Assumed 25% if effective tax rate is not available.
(3) Unlevered beta selection is based on Dolphin Entertainment, Inc. as I consider it to be most comparable to Malka.
(4) Yield on 20-year U.S. Treasury bonds as of the Valuation Date.
(5) Source: 2021 Valuation Handbook by Kroll, long horizon expected equity risk premium (supply).
(6) Source: 2021 Valuation Handbook by Duff & Phelps, size premium for companies with market capitalization between $2.2 and $451.8 million (micro-cap).
(7) Reflecting subject company-specific risks.
(8) Based on Moody's Corporate BAA index as of the Valuation Date.

Exhibit 5
Malka Media Group LLC
Market Approach (Public Guideline Comparables) - Valuation Summary

Valuation Date: November 15, 2021

$ in thousands	Minimum	1st Quartile	Median	Arithmetic Mean	3rd Quartile	Maximum	Selected Multiples Range (1) Low	Selected Multiples Range (1) High	Financial Metric (2)	Weight (3)	Preliminary Value Low	Preliminary Value High
	Valuation Multiple Statistics						Preliminary Valuation Estimates					
Enterprise value / Revenue												
Trailing twelve months	0.4 x	0.7 x	1.5 x	1.5 x	2.4 x	2.7 x	0.70 x	0.80 x	$ 25,941	60%	$ 18,159	$ 20,753
FY 2022E	0.7 x	1.1 x	1.5 x	1.3 x	1.7 x	1.8 x	0.50 x	0.60 x	37,986	40%	18,993	22,792
Enterprise value - weighted average of preliminary estimates										100%	**$ 18,492**	**$ 21,568**

	Valuation Summary - Guideline Company Approach		***Low***	***High***
	Total enterprise value		$ 18,492	$ 21,568
(4)	(-) Net debt		(1,875)	(1,875)
	Market value of total equity - minority, marketable		16,617	19,693
(5)	Premium for control	5.0%	749	903
	Market value of total equity - control, marketable		17,366	20,596
	(+) Net debt		1,875	1,875
	Total enterprise value - control, marketable (rounded)		**$ 19,200**	**$ 22,500**

Notes:

(1) The multiples were adjusted based on the financial and economic characteristics of Malka relative to the guideline companies. The adjustments primarily reflect differences between Malka and the guideline group in terms of size and profitability.
(2) The 'trailing twelve months' revenue metric to which the multiples are applied is revenue for the twelve month period ended September 30, 2021.
(3) The selected weightings of the preliminary values reflect less certainty around the FY 2022 financial projections compared to the historical performance achieved as of September 30, 2021.
(4) Net debt includes current portion of loans, term loan payable, line of credit, and other loans payable, less cash and cash equivalents as of September 30, 2021.
(5) Calculation of control premium excludes cash.

Sources:

(1) S&P Capital IQ
(2) TAB 23 - Disclosure Schedules.pdf
(3) 2021.10.08 Malka Q2 financials MoneyLion_01861600.XLSX

Confidential

Exhibit 6

Malka Media Group LLC

Public Guideline Companies - Market Data and Valuation Multiples — **Valuation Date: November 15, 2021**

		Content Creation & Marketing			Talent Representation		
	$ in millions	**Fluent, Inc.**	**Dolphin Entertainment, Inc.**	**IZEA Worldwide, Inc.**	**Wilhelmina International, Inc.**	**Median**	**Malka Media Group LLC**
		FLNT	**DLPN**	**IZEA**	**WHLM**		
	last twelve months:	*9/30/2021*	*9/30/2021*	*9/30/2021*	*9/30/2021*		
	last fiscal year end:	*12/31/2020*	*12/31/2020*	*12/31/2020*	*12/31/2020*		
	Currency	*USD*	*USD*	*USD*	*USD*		
	Market Capitalization						
	Stock price as of valuation date	$ 15.48	$ 19.58	$ 9.28	$ 5.95		
	(x) Total shares outstanding	13.2	3.8	15.5	5.2		
	Market value of common equity	204	75	144	31		
	(+) Preferred equity	-	0	-	-		
	(+) Minority interest	-	-	-	-		
	(+) Capital Leases	-	-	-	0		
	(+) Total debt obligations	47	9	0	-		
	Total invested capital	**250**	**84**	**144**	**31**		
	(-) Cash & cash equivalents	(16)	(13)	(74)	(7)		
	Enterprise value	**$ 235**	**$ 71**	**$ 69**	**$ 23**		
	Financial Metrics						
	Revenue						
	FY 2020	$ 310.7	$ 24.1	$ 18.0	$ 11.7	$ 21.0	$ 17.0
	Trailing twelve months	311.4	31.9	25.6	53.6	42.7	25.9
(1)	FY 2021E	319.6	35.4	28.3	na	35.4	29.7
(1)	FY 2022E	347.6	46.3	38.5	na	46.3	38.0
(2)	**EBITDA**						
	FY 2020	34.0	(0.5)	(4.9)	(1.9)	(1.2)	na
	Trailing twelve months	18.5	(0.0)	(5.9)	3.8	1.9	na
(1)	FY 2021E	18.6	1.1	(4.5)	na	1.1	0.0
(1)	FY 2022E	29.1	7.7	(2.3)	na	7.7	0.2
	Revenue Growth						
	FY 2020	10.3%	-3.8%	-5.2%	-84.5%	-4.5%	24.7%
(1)	FY 2021E	2.9%	47.2%	57.3%	na	47.2%	75.1%
(1)	FY 2022E	8.8%	30.8%	36.2%	na	30.8%	27.8%
	EBITDA Growth						
	FY 2020	40.7%	67.9%	8.4%	-202.9%	24.5%	nm
(1)	FY 2021E	-45.4%	324.8%	9.1%	na	9.1%	nm
(1)	FY 2022E	56.7%	628.7%	49.9%	na	56.7%	766.9%
	EBITDA Margin						
	FY 2020	10.9%	-2.0%	-27.5%	-16.4%	-9.2%	nm
	Trailing twelve months	5.9%	-0.1%	-23.1%	7.1%	2.9%	nm
(1)	FY 2021E	5.8%	3.0%	-15.9%	na	3.0%	0.1%
(1)	FY 2022E	8.4%	16.7%	-5.8%	na	8.4%	0.4%
	Valuation Multiples						
	Enterprise value / Revenue						
	Trailing twelve months	0.8 x	2.2 x	2.7 x	0.4 x	1.5 x	
(1)	FY 2021E	0.7 x	2.0 x	2.5 x	na	2.0 x	
(1)	FY 2022E	0.7 x	1.5 x	1.8 x	na	1.5 x	
	Enterprise value / EBITDA						
	Trailing twelve months	12.7 x	nm	nm	6.1 x	9.4 x	
(1)	FY 2021E	12.6 x	nm	nm	na	12.6 x	
(1)	FY 2022E	8.1 x	9.2 x	nm	na	8.7 x	

Notes:

(1) Based on consensus analyst estimates and reported by Capital IQ. FY 2021E represents the projected fiscal year ending December 31, 2021 and FY 2022E represents the projected fiscal year ending December 31, 2022 for all guideline public companies and Malka.

(2) Malka's EBITDA and EBIT metrics are adjusted for non-recurring items.

Sources:

(1) S&P Capital IQ

Company name: Fluent, Inc.
Ticker symbol: FLNT
Exchange: NasdaqCM
Primary industry: Advertising
Primary SIC industry: Management Consulting Services
Primary SIC code: 8742

FLUENT

Website:
www.fluentco.com

Fluent, Inc. provides data-driven digital marketing services in the United States and internationally. The company operates through Fluent and All Other segments. It offers customer acquisition services by operating digital marketing campaigns, through which the company connects its advertiser clients with consumers. The company also delivers data and performance-based marketing executions to various consumer brands, direct marketers, and agencies across a range of industries, including financial products and services, media and entertainment, health and life sciences, retail and consumer, and staffing and recruitment. Fluent, Inc. was founded in 2010 and is headquartered in New York, New York.

Company name: Dolphin Entertainment, Inc.
Ticker symbol: DLPN
Exchange: NasdaqCM
Primary industry: Movies and Entertainment
Primary SIC industry: Engineering, Accounting, Research, Management, and Related Services
Primary SIC code: 8700

DOLPHIN ENTERTAINMENT

Website:
www.dolphinentertainment.com

Dolphin Entertainment, Inc., together with its subsidiaries, operates as an independent entertainment marketing and production company in the United States. The company operates in two segments, Entertainment Publicity, and Marketing and Content Production. The Entertainment Publicity and Marketing segment provides diversified marketing services, including public relations, entertainment and hospitality content marketing, strategic communications, strategic marketing consulting, social media and influencer marketing, digital marketing, creative branding, talent publicity, and entertainment marketing services, as well as produces promotional video content. The Content Production segment produces and distributes feature films and digital content. In addition, it offers strategic marketing and publicity services to individuals and corporates in the entertainment, hospitality, and music industries; and marketing direction, public relations counsel, and media strategy for video game publishers, as well as eSports leagues and other entities in the gaming industry. The company was formerly known as Dolphin Digital Media, Inc. and changed its name to Dolphin Entertainment, Inc. in July 2017. The company was incorporated in 1995 and is headquartered in Coral Gables, Florida.

Company name: IZEA Worldwide, Inc.
Ticker symbol: IZEA
Exchange: NasdaqCM
Primary industry: Interactive Media and Services
Primary SIC industry: Computer Programming, Data Processing, And Other Computer Related Services
Primary SIC code: 7370

IZEA

Website:
www.izea.com

IZEA Worldwide, Inc., together with its subsidiaries, offers software and professional services to connect brands and content creators in North America, the Asia Pacific, and internationally. The company offers IZEA Flex, its flagship platform for managing enterprise influencer marketing; and comprehensive expense management service to track and manage off-platform expenses related to influencer marketing campaigns. It also operates The Creator Marketplace on IZEA.com that provides creators tools to present their work to marketers. In addition, the company provides management of content workflow, creator search and targeting, bidding, analytics, and payment processing services. It primarily sells influencer marketing and custom content campaigns through client development team and platforms. The company was formerly known as IZEA, Inc. and changed its name to IZEA Worldwide, Inc. in August 2018. IZEA Worldwide, Inc. was founded in 2006 and is headquartered in Orlando, Florida.

Company name: Wilhelmina International, Inc.
Ticker symbol: WHLM
Exchange: NasdaqCM
Primary industry: Diversified Support Services
Primary SIC industry: Amusement and Recreation Services
Primary SIC code: 7900

WILHELMINA

Website:
www.wilhelmina.com

Wilhelmina International, Inc. primarily engages in the fashion model management business. The company specializes in the representation and management of models, entertainers, athletes, and other talent to various clients, including retailers, designers, advertising agencies, print and electronic media and catalog companies. It offers fashion modeling talent and social media influencer services to clients, such as advertising agencies, branded consumer goods companies, fashion designers, Internet sites, retailers, department stores, product catalogs, and magazine publications. In addition, the company is involved in the licensing of the Wilhelmina name to third parties, such as fashion model agencies; television syndication royalties and production series contracts; and celebrity management activities, as well as model search contests. It has operations in Los Angeles, Miami, and London, as well as a network of licensees in various local markets in the United States and internationally. Wilhelmina International, Inc. was founded in 1967 and is headquartered in Dallas, Texas.

Market Approach (Guideline Transactions) - Valuation Summary **Valuation Date: November 15, 2021**

$ in thousands	Valuation Multiple Statistics						Preliminary Valuation Estimates					
	Minimum	1st Quartile	Median	Arithmetic Mean	3rd Quartile	Maximum	Selected Multiples Range (1)		Financial Metric	Weight	Preliminary Value	
Enterprise value / Revenue							*Low*	*High*				
Trailing twelve months	1.0 x	1.3 x	1.5 x	1.5 x	1.7 x	1.7 x	1.00 x	1.10 x	$ 25,941	100%	$ 25,941	$ 28,535

Valuation Summary - Guideline Transaction Approach	*Low*	*High*
Enterprise value (rounded)	**$ 25,900**	**$ 28,500**

Notes:

(1) *The multiples were adjusted based on the financial and economic characteristics of Malka relative to the guideline companies. The adjustments primarily reflect differences between Malka and the guideline group in terms of size and profitability.*

Sources:

(1) *S&P Capital IQ*
(2) *TAB 23 - Disclosure Schedules.pdf*
(3) *2021.10.08 Malka Q2 financials MoneyLion_01861600.XLSX*

$ in millions

Closed Date	Target	Buyer	Transaction-Implied Enterprise Value	LTM Revenue	LTM EBITDA	EBITDA Margin	EV / Revenue	EV / EBITDA
5/21/2021	Digital Media Services Inc	YANGAROO Inc.	$ 5.5	$ 4.0	na	na	1.4 x	na
10/28/2020	BroadbandTV Corp.	BBTV Holdings Inc.	311.4	187.5	(3.8)	-2.0%	1.7 x	nm
7/30/2019	Mad*Pow Media Solutions LLC	Tech Mahindra (Americas) Inc.	25.7	14.7	na	na	1.7 x	na
12/17/2018	495 Communications, LLC	Lighthouse Digital Inc.	15.0	14.4	1.9	13.2%	1.0 x	7.9 x

Statistics:

	Enterprise Value	LTM Revenue	LTM EBITDA	EBITDA Margin	EV / Revenue	EV / EBITDA
Maximum	$ 311.4	$ 187.5	$ 1.9	13.2%	1.7 x	7.9 x
3rd Quartile	97.1	57.9	0.5	9.4%	1.7 x	7.9 x
Median	20.4	14.6	(1.0)	5.6%	1.5 x	7.9 x
Average	89.4	55.2	(1.0)	5.6%	1.5 x	7.9 x
1st Quartile	12.6	11.8	(2.4)	1.8%	1.3 x	7.9 x
Minimum	5.5	4.0	(3.8)	-2.0%	1.0 x	7.9 x

Notes:

(1) *Selected transactions are based on a search for transactions with public data closed within three years of the Valuation Date in the marketing, advertising, digital media, content production, and entertainment production industries in the United States and Canada.*

Sources:

(1) *S&P Capital IQ*

Company name: Digital Media Services Inc

Primary industry: Movies and Entertainment
Primary SIC industry: NA
Primary SIC code: NA

Website:
n/a

Digital Media Services Inc. operates as a multimedia, duplication, and post production company. The company provides electronic advertising distribution, closed captioning and subtitling, production, multiplatform video content, file conversion, program/content deliverables, asset management and preservation, archival digitization, and post-production services, as well as tape mastering, authoring, and duplication services. It works with marketers, advertisers, creative and media agencies, the direct response industry, content owners, political agencies, syndicators, broadcasters, publishers, post facilities, filmmakers, and OTT platforms in the United States. Digital Media Services Inc. was formerly known as Duplication Services Inc. and changed its name to Digital Media Services Inc. in June 2016. The company was founded in 1992 and is based in New York, New York with a location in Burbank, California. As of May 21, 2021, Digital Media Services Inc operates as a subsidiary of YANGAROO Inc.

Company name: BroadbandTV Corp.

Primary industry: Movies and Entertainment
Primary SIC industry: Cable and Other Pay Television Services
Primary SIC code: 4841

Website:
www.bbtv.com

BroadbandTV Corp. operates as a media-technology company that provides content creation, distribution, management, and monetization solutions for individual content creators and media companies worldwide. The company specializes in providing creator, content management, video advertising, and eCommerce and merchandising solutions; and publishing mobile gaming apps. Its solutions include VISO Catalyst, a content management platform for the optimization of metadata across keywords, titles, and descriptions; VISO Novi, a fan engagement and rights management solution; VISO Prism, a brand safety and content protection platform that facilitates the identification and management of content for brand safety; and VISO Collab, a solution that facilitates and matches creators as they connect with one another for skills sharing and cross-promotion. The company was founded in 2005 and is based in Vancouver, Canada. BroadbandTV Corp. operates as a subsidiary of BBTV Holdings Inc.

Company name: Mad*Pow Media Solutions LLC

Primary industry: Advertising
Primary SIC industry: Radio, Television, and Publishers' Advertising Representatives
Primary SIC code: 7313

Website:
www.madpow.com

Mad*Pow Media Solutions LLC is a design agency that helps people improve their health and wellness, meet their financial goals, learn, and connect. Its services include experience strategy and service design, interaction design and visual design, behavior change strategy, conversion and lead generation, data visualization, content strategy and creation, research and validation, digital marketing strategy, brand development, usability testing and accessibility evaluation, application development, front-end development, project management, and design training and workshops. The company offers solutions in the areas of health, financial services, education, research and testing, experience strategy and service design, motivational design and behavior change, organizational design and training, content strategy, digital marketing, and development. It serves clients that range from Fortune 500s to startups. The company was founded in 2000 and is based in Portsmouth, New Hampshire with an additional office in Boston, Massachusetts. As of July 30, 2019, Mad*Pow Media Solutions LLC operates as a subsidiary of Tech Mahindra (Americas), Inc.

Company name: 495 Communications, LLC

Primary industry: Advertising
Primary SIC industry: NA
Primary SIC code: NA

Website:
www.495communications.com

495 Communications, LLC provides cross-platforms advertising and content marketing services. The company was founded in 2016 and is based in New York, New York. As of December 17, 2018, 495 Communications, LLC operates as a subsidiary of Lighthouse Digital Inc..

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Exhibit 11
Malka Media Group LLC
Summary Metrics
Valuation Date: November 15, 2021

FYE December 31, *$ in thousands*	FY 2019 12 months	FY 2020 12 months	YTD 9/30/2021 9 months	LTM 9/30/2021 12 months	Management Forecast FY 2021 12 months	Management Forecast FY 2022 12 months
Income Statement						
Revenue	$ 13,621	$ 16,983	$ 19,484	$ 25,941	$ 29,733	$ 37,986
Year-over-Year Growth %	*na*	*24.7%*	*na*	*na*	*75.1%*	*27.8%*
Gross profit	7,573	11,573	11,629	16,306	18,026	25,604
Gross margin %	*55.6%*	*68.1%*	*59.7%*	*62.9%*	*60.6%*	*67.4%*
EBITDA	na	na	na	na	20	170
EBITDA margin %	*na*	*na*	*na*	*na*	*0.1%*	*0.4%*
Net income	569	2,414	(210)	2,280	(153)	52
Net income margin %	4.2%	14.2%	-1.1%	8.8%	-0.5%	0.1%
Balance Sheet and Cash Flow Statement						
Current portion of loans	$ 252	$ 266	$ -	$ -		
Term loan payable	930	665	2,729	2,729		
Line of credit (CNOB)	450	729	729	729		
Loans payable - other	51	51	51	51		
Capital lease payable	64	32	-	-		
Total debt, gross	**1,747**	**1,743**	**3,509**	**3,509**		
Cash and cash equivalents	141	1,364	1,634	1,634		
Total debt, net of cash	**1,606**	**379**	**1,875**	**1,875**		
Capital expenditures	615	864				
% of revenue	*4.5%*	*5.1%*				
Net working capital	992	1,409	1,791	1,791		
% of revenue	*7.3%*	*8.3%*	*na*	*6.9%*		

Sources:
(1) 2021.11.15 MIPA (execution) MoneyLion_01846450.pdf
(2) TAB 23 - Disclosure Schedules.pdf
(3) 2021.10.08 Malka Q2 financials MoneyLion_01861600.XLSX

Exhibit 12
Malka Media Group LLC
Annual Income Statements - Consolidated
Valuation Date: November 15, 2021

	Actual				Forecast		
	FY		YTD	LTM	11/15 - 12/31	FY	
FYE December 31,	**2019**	**2020**	**9/30/2021**	**9/30/2021**	**2021**	**2021**	**2022**
$ in thousands	*12 months*	*12 months*	*9 months*	*12 months*	*1.5 months*	*12 months*	*12 months*
Revenue and Direct Costs							
Total revenue	**13,621**	**16,983**	**19,484**	**25,941**	**5,371**	**29,733**	**37,986**
Year-over-year growth %	*na*	*24.7%*	*na*	*na*	*na*	*75.1%*	*27.8%*
Cost of sales	6,049	5,410	7,855	9,635	2,118	11,708	12,382
Gross profit	**7,573**	**11,573**	**11,629**	**16,306**	**3,253**	**18,026**	**25,604**
Gross margin %	*55.6%*	*68.1%*	*59.7%*	*62.9%*	*60.6%*	*60.6%*	*67.4%*
Operating and Other Expenses							
General and administrative	6,903	10,039	12,694	15,833			
Total operating expenses	6,903	10,039	12,694	15,833	2,781	18,006	25,434
Operating profit (loss)	**669**	**1,534**	**(1,065)**	**473**	**472**	**20**	**170**
Operating margin %	*4.9%*	*9.0%*	*-5.5%*	*1.8%*	*8.8%*	*0.1%*	*0.4%*
Other (expense) / income	(100)	880	854	1,807	29	173	118
Net income	**569**	**2,414**	**(210)**	**2,280**	**443**	**(153)**	**52**

Supplemental Information:

	11/15 - 12/31 2021	FY 2021	FY 2022
Net income (loss)	$ 443	$ (153)	$ 52
Interest expense	23	143	60
Depreciation	-	-	-
Income tax expense	-	-	16
Profit share	6	24	40
Realized gain/loss	1	7	2
Other income	-	-	-
EBITDA (adjusted)	**$ 472**	**$ 20**	**$ 170**
EBITDA margin %	*8.8%*	*0.1%*	*0.4%*

Sources:

(1) 2021.11.15 MIPA (execution) MoneyLion_01846450.pdf
(2) TAB 23 - Disclosure Schedules.pdf
(3) 2021.10.08 Malka Q2 financials MoneyLion_01861600.XLSX

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Exhibit 13
Malka Media Group LLC
Annual Balance Sheets - Consolidated **Valuation Date: November 15, 2021**

FYE December 31, *$ in thousands*	FY 2019	FY 2020	As of 9/30/2021
Assets			
Cash & cash equivalents	$ 141	$ 1,364	$ 1,634
Accounts receivable	1,703	2,497	3,031
Due from affiliate	205	27	-
Other current assets	-	-	19
Total current assets	2,049	3,888	4,684
Fixed assets, net	970	1,566	1,576
Other assets	297	414	278
Total assets	**$ 3,316**	**$ 5,868**	**$ 6,539**
Liabilities and Equity			
Accounts payable	$ 884	$ 1,082	$ 954
Credit cards	-	-	305
Current portion of loans	252	266	-
Current portion of capital leases	32	32	-
LOC and other loans	-	-	780
Other current liabilities	-	-	350
Total current liabilities	**1,168**	**1,380**	**2,390**
Term loan payable	930	665	2,729
Line of credit (CNOB)	450	729	-
Loans payable - other	51	51	-
Capital lease payable	32	-	-
Total liabilities	**2,631**	**2,825**	**5,119**
Equity	684	3,043	1,420
Total liabilities and equity	**$ 3,316**	**$ 5,868**	**$ 6,539**
Supplemental Information:			
(1) Cash-free, debt-free net working capital	$ 992	$ 1,409	$ 1,791
Working capital as percentage of sales	*7.3%*	*8.3%*	*6.9%*
Total debt, gross	1,747	1,743	3,509
Total debt, net of cash	1,606	379	1,875

Notes:

(1) *Cash-free, debt-free net working capital calculation = (Total current assets - cash) - (total current liabilities - LOC and other loans)*

Sources:

(1) *TAB 23 - Disclosure Schedules.pdf*

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Exhibit 14
Malka Media Group LLC
Hypothetical Synergies Analysis **Valuation Date: November 15, 2021**

The purpose of this analysis is to provide a hypothetical estimate of the value to MoneyLion of the potential synergies achievable with the Malka acquisition. Potential synergies are reflected as additional revenues generated by MoneyLion products, as well as cost savings related to acquisition of new MoneyLion customers. Wherever possible, the assumptions are based on publicly available information related to MoneyLion that would have been known or knowable relatively close to the transaction date.

	FYE December 31, *$ in thousands*	11/15 - 12/31 2021 *1.5 months*	FY 2022 *12 months*	2023 *12 months*	2024 *12 months*	2025 *12 months*	Terminal Year *12 months*
	Revenue Synergies						
(1)	Annualized MoneyLion customer base growth assumption	135.7%	75.0%	25.0%	25.0%	20.0%	3.0%
	# of new MoneyLion customers acquired	342,455	2,475,000	1,443,750	1,804,688	1,804,688	324,844
(2)	% Attributed to Malka	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
	New MoneyLion customers attributed to Malka	***17,123***	***123,750***	***72,188***	***90,234***	***90,234***	***16,242***
	MoneyLion customer base as of FYE	3,300,000	5,775,000	7,218,750	9,023,438	10,828,125	11,152,969
(3)	MoneyLion ARPU (in actual $)	$ 8.94	$ 70.00	$ 70.00	$ 70.00	$ 70.00	$ 70.00
(2)	New MoneyLion customers attributed to Malka	17,123	123,750	72,188	90,234	90,234	16,242
(3)	MoneyLion ARPU (in actual $)	$ 8.94	$ 70.00	$ 70.00	$ 70.00	$ 70.00	$ 70.00
(4)	Revenue synergies	$ 153	$ 8,663	$ 5,053	$ 6,316	$ 6,316	$ 1,137
(5)	*(x) MoneyLion EBITDA margin*	8.8%	0.4%	3.3%	6.1%	9.0%	9.0%
	Net revenue synergies	**13**	**39**	**167**	**388**	**568**	**102**
(6)	(-) Tax expense	(4)	(11)	(47)	(109)	(159)	(29)
	Post-tax net revenue synergies	**$ 10**	**$ 28**	**$ 120**	**$ 280**	**$ 409**	**$ 74**
	Cost Synergies						
(7)	*CAC reduction per customer (in actual $)*	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00	$ 9.00
	Total # of new MoneyLion customers acquired	342,455	2,475,000	1,443,750	1,804,688	1,804,688	324,844
	Total CAC savings	**$ 3,082**	**$ 22,275**	**$ 12,994**	**$ 16,242**	**$ 16,242**	**$ 2,924**
(6)	(-) Tax expense	(863)	(6,237)	(3,638)	(4,548)	(4,548)	(819)
	Post-tax cost synergies	**$ 2,219**	**$ 16,038**	**$ 9,356**	**$ 11,694**	**$ 11,694**	**$ 2,105**
	Total Synergies						
	Post-tax net revenue synergies	$ 10	$ 28	$ 120	$ 280	$ 409	$ 74
	Post-tax cost synergies	2,219	16,038	9,356	11,694	11,694	2,105
	Total post-tax synergies	**$ 2,229**	**$ 16,066**	**$ 9,475**	**$ 11,974**	**$ 12,104**	**$ 2,179**
	Partial period factor	1.0000	1.0000	1.0000	1.0000	1.0000	
	Discount period	0.0639	0.6278	1.6278	2.6278	3.6278	
	Present value factor: WACC 16.25%	0.9904	0.9098	0.7826	0.6732	0.5791	
	Present value of synergy cash flows	**2,207**	**14,617**	**7,416**	**8,061**	**7,009**	

Sum of the Present Value of Discrete-Year Synergies	$ 39,311
Present Value of Terminal Synergies	9,522
Indicated Value of Synergies (rounded)	**$ 48,800**

Terminal Value: Gordon Growth Model

	Terminal-year post-tax synergies	$ 2,179
(8)	Divided by capitalization rate	13.25%
	Residual value at terminal year	16,443
	Present value factor	0.5791
	Present value of terminal synergies	9,522

Notes:

(1) *The customer base growth rate is based on customer count data published shortly after the transaction closed. The annualized growth rate of 135.7% is based on a customer count of approximately 1.4 million as of 12/31/2020 and 3.3 million as of 12/31/2021.*

(2) *I assume that 5.0% of new customers are won through content produced by Malka for MoneyLion.*

(3) *MoneyLion's twelve-month average revenue per user ("ARPU") of $70 is sourced from MoneyLion's Q4 and full-year 2021 earnings call transcript. Adjusted for 1.5 months in the 2021 stub period.*

(4) *Revenue synergies resulting from the transaction are calculated as ARPU multiplied by the number of new MoneyLion customers assumed to be won as a result of content produced by Malka.*

(5) *EBITDA margins each year are consistent with those used in projections included in the DCF analysis.*

(6) *Assumed effective blended federal and state tax rate of 28%.*

(7) *Customer acquisition cost ("CAC") reduction of $9.00 per customer is based on a June 23, 2022 analyst report which indicated that, based on conversations with the MoneyLion CEO, MoneyLion's CAC decreased from $25.00 to $16.00 following the Malka acquisition.*

(8) *The capitalization rate is equal to the cost of equity less the long-term growth rate.*

Sources:

(1) *Key Takeaways: MoneyLion Investor Day, published by Cantor Fitzgerald on December 9, 2022*

(2) *MoneyLion Q4 and Full-Year 2021 Earnings Call Transcript*

(3) *MoneyLion Q4 and Full-Year 2021 Earnings Press Release*

(4) *2021.11.15 MIPA (execution) MoneyLion_01846450.pdf*

$ in millions

Deal Screening Criteria:

Closing Date: November 15, 2018 - November 15, 2021
Deal Type: Merger/Acquisition
Location: United States
Industry: Media and Information Services (B2B)
Keywords: Digital Marketing, Digital Media Services, Content Creation, Social Content, Content Studios

Source: PitchBook

Date	Target	Target Description	Deal Type	Deal Size	Stake Acquired	Pre-Money Valuation	Post-Money Valuation	Revenue	EBITDA	EV / Revenue	EV / EBITDA
6/9/2021	AdvisorStream	Developer of a digital marketing platform designed to help businesses grow and strengthen their relationships with clients. The company's platform auto-posts relevant multimedia content to social media, keeps clients informed with personalized communications, and ensures regular contact through weekly newsletters, enabling financial advisors to have access to various articles and videos and plan accordingly.	Merger/Acquisition	33.4	100.0%	n/a	33.4	10.0	n/a	3.3x	n/a
5/21/2021	Digital Media Services	Provider of media asset distribution and content management services to marketers, advertisers, media agencies, broadcasters, publishers and filmmakers. The company offers full-service video and content management solutions including post-production, video content processing and distribution, electronic advertising distribution, closed captioning and subtitling, archival digitization and tape mastering to video content producers and owners, enabling clients to easily deliver and receive content.	Merger/Acquisition	5.5	100.0%	n/a	5.5	4.0	n/a	1.4x	n/a
4/20/2020	Hashoff	Developer of a data-driven social marketing platform. The company's platform enables data-driven, real-time social influencer marketing where trusted, authentic voices engage and promote brands organically and in context, enabling contextual identification, real-time collaboration, content creation, publishing, payment processing and measurement in a single scalable and reliable cloud-based product.	Merger/Acquisition	4.6	100.0%	n/a	4.6	2.5	n/a	1.8x	n/a
1/31/2020	P2klabs	Provider of consultancy services intended to help businesses convert their ideas into strategies by offering design and marketing resources. The company's services include branding, design research, digital marketing, social media marketing, web development, sales strategy, marketing strategy, and other related services, enabling clients to transform and grow businesses.	Merger/Acquisition	1.7	100.0%	n/a	1.7	0.8	n/a	2.1x	n/a
11/22/2019	Spire Digital	Developer of software solutions and provider of digital consultancy services, based in Denver, Colorado. The company provides agile process optimization, data science consulting, UI/UX design, information architecture, custom software development, app development and automation services to the automotive, education and financial services.	Merger/Acquisition	14.8	100.0%	n/a	14.8	12.4	n/a	1.2x	n/a
10/8/2019	Firewood Marketing	Provider of digital advertising services intended to engage in marketing, planning and creativity. The company's services include strategizing, planning and content creation and involves to transform every touchpoint into an intuitive, functional brand experience, engineering solutions and execute measurable, engaging events, enabling its customers to avail the solution for organizing events as per their choice.	Merger/Acquisition	150.0	100.0%	n/a	150.0	73.0	n/a	2.1x	n/a
7/30/2019	Mad*Pow	Provider of strategic design consultancy services based in Portsmouth, New Hampshire. The company's offerings includes experience strategy and service design, user experience design, behavior change design, content strategy, mobile app and web development, design operations, data science and analytics, enabling clients to deliver engaging intuitive and meaningful experiences to their target audience.	Merger/Acquisition	70.0	65.0%	n/a	107.7	17.5	n/a	6.2x	n/a
12/18/2018	DEG Digital	Operator of a full-service digital agency intended to meet brands in the moment with relevant and data-driven marketing, The company's services mainly focus on offering innovative approaches that employ digital direct marketing and eCRM, social media, integrated e-commerce, web content management, enterprise collaboration, and mobile development, enabling clients to create smart digital marketing, commerce, and collaboration strategies for flagship brands.	Merger/Acquisition	150.0	100.0%	n/a	150.0	51.1	n/a	2.9x	n/a
12/17/2018	495 Communications, LLC	Provider of cross-platforms advertising and content marketing services to advertisers and publishers enabling consumer engagement. The company offers a video and mobile-focused digital media advertising platform that has an expansive network of publishers and advertisers and capabilities that span the entirety of the programmatic media transaction chain, connecting advertisers to publishers with minimal number of intermediaries, helping brands succeed in the competitive world of consumer awareness by utilizing all forms of content, video, native, and editorial.	Merger/Acquisition	15.0	100.0%	n/a	15.0	14.4	1.9	1.0x	7.9x
11/28/2018	Periscope	Operator of a full-service marketing agency in Minneapolis. The company offers a full spectrum of marketing services including direct and digital marketing, print and broadcast advertising, media planning, social media marketing, and graphics services to a wide range of acclaimed brands.	Merger/Acquisition	121.0	100.0%	n/a	121.0	83.0	n/a	1.5x	n/a

Appendix C - Alternate Scenario

As discussed in Section V.E of my report, for purposes of addressing the assertions related to damages in the hypothetical scenario where the claims asserted in the Gompers Report are accepted by the Court, I was instructed by Counsel to prepare an alternate scenario. Under this scenario I estimated the fair market value of the Company at the Transaction Date considering certain revenue and EBITDA assumptions in Gompers' "But For" analysis. I applied the same valuation approaches and methods I used in my Fair Market Value analysis discussed above. I performed the alternative scenario analysis using a DCF under the Income Approach and two Market Approach methods.

Gompers uses the same revenue projections in his "But For" scenario as in his "Actual World" scenario. However, he changed his EBITDA projections from his "Actual World" scenario to "adjusted" EBITDA projections in his "But For" scenario.[105] I used the same approach with respect to projection assumptions and in my alternate scenario I relied on the same revenue projections that I used in my FMV scenario.

In the alternate scenario, I calculate EBITDA in the 2021 stub period as -3.5% of revenues. This reduction is based on the reduction in EBITDA that Gompers presents in his report for the nine-months ended September 30, 3021[106], and projected EBITDA for the 4th quarter of 2021 per the MIPA. In order to determine an adjusted EBITDA margin to apply in the 2021 stub period in the alternate scenario, I estimated an adjusted EBITDA margin for the full year 2021. To do this, I summed the following:

- Adjusted year-to-date ("YTD") September 30, 2021 EBITDA per the Gompers Report of -$2,024 thousand, plus;
- Budgeted EBITDA per the MIPA for the fourth quarter of 2021of $1,015 thousand.

This calculation indicates an adjusted EBITDA for full year 2021 of -$1,009 thousand.

I then estimated adjusted revenue for 2021 by summing the following:

- Adjusted YTD September 30, 2021 revenue per the Gompers Report of $18,526 thousand, plus;
- Budgeted revenue per the MIPA for the fourth quarter of 2021of $10,273 thousand.

This calculation indicates an adjusted 2021 full year revenue of $28,799 thousand.

I divided the adjusted full year 2021 EBITDA of -$1,009 thousand by adjusted revenue for the year of $28,799 thousand to estimate adjusted EBITDA margin for 2021 of -3.5%. This margin was then applied to my stub period revenue to calculate the adjusted stub period EBITDA used in the DCF for the alternate scenario.

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[105] Gompers Report, Figure 3 and Figure 8.

[106] Gompers Report, Figure 7.

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I used the same terminal EBITDA margin of 4.6% in 2025 EBITDA that Gompers used as his terminal margin starting in 2027 in his But For scenario. He indicates this was chosen because it was the Company's adjusted EBITDA indicated for 2019 and was also the expected long-term EBITDA margin for the Company.[107]

For the intervening periods I grow EBITDA margin linearly between the stub period margin of -3.5% and the 2025 margin of 4.6%. Consistent with Gompers, the alternate scenario EBITDA margin increases linearly to 4.6% over the projection period.

Given the lower projection risk with the decreased revenue and EBITDA margins in the alternative scenario, I reduced the corresponding discount rate in the alternate scenario by 100 basis points. My DCF analysis in the alternate scenario utilized the revenue and EBITDA projections noted above and, with the exception of the discount rate, all other assumptions were consistent with my Fair Market Value analysis. This includes assumptions related to net working capital needs, capital expenditures, tax rate, and long-term growth rate. The DCF analysis for this scenario is presented in Supplement 2.

For the Market Approach I applied the GPC and GMAC methods. I applied the same revenue multiples as in my Fair Market Value analysis. For the TTM I calculated adjusted revenue for use in these methods. The revenue metric used for the TTM in my Fair Market Value analysis was the actual revenue for the TTM ended September 30, 2021. The Gompers Report reduced revenue for YTD September 30, 2021 by 4.9% to calculate the adjusted revenue for that nine-month period. I applied this same percentage reduction to the revenue used in my Fair Market Value analysis to estimate alternate scenario estimated revenue for the TTM period of $24,665 thousand. I applied this metric to the selected revenue multiples for the TTM in both market approach methods. Similarly, all other assumptions in both methods are consistent with those in my Fair Market Value analysis. These alternate scenario Market Approach analyses are presented in Supplements 3 and 4.

In the alternate scenario analysis, I used the same weighting for each method as in my Fair Market Value analysis. My concluded ranges of value under the alternate scenario are:

Alternate Scenario
$ in thousands

		Malka Media Group LLC		
Valuation Methodology	**Weighting**	**Low**	**Mid**	**High**
Income Approach: Discounted Cash Flow Analysis	50.0%	$5,100	$5,700	$6,400
Market Approach: Public Company Analysis	40.0%	18,700	20,300	21,800
Market Approach: Transaction Analysis	10.0%	24,700	25,900	27,100
	100.0%			
Indicated Enterprise Value Range (rounded)		**$12,500**	**$13,600**	**$14,600**

The difference between my Fair Market Value range of $18.9 to $21.7 million and this hypothetical alternative scenario concluded range of $12.5 to $14.6 million is from $6.4 to $7.1

[107] Gompers Report, Figure 8, footnote 4.

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million.

Thus, this illustrates that under fair market value at the Transaction date, Gompers' quantification of asserted damages to MoneyLion is grossly overstated. A comparison of the ranges of concluded values under my Fair Market Value analysis and my alternate scenario is presented below.

$ in thousands	Malka Media Group LLC		
Indicated Enterprise Value Ranges (rounded)	**Low**	**Mid**	**High**
Bingham Fair Market Value	**$18,900**	**$20,200**	**$21,700**
Hypothetical Alternate Scenario	**$12,500**	**$13,600**	**$14,600**
Implied Damages	**$6,400**	**$6,600**	**$7,100**

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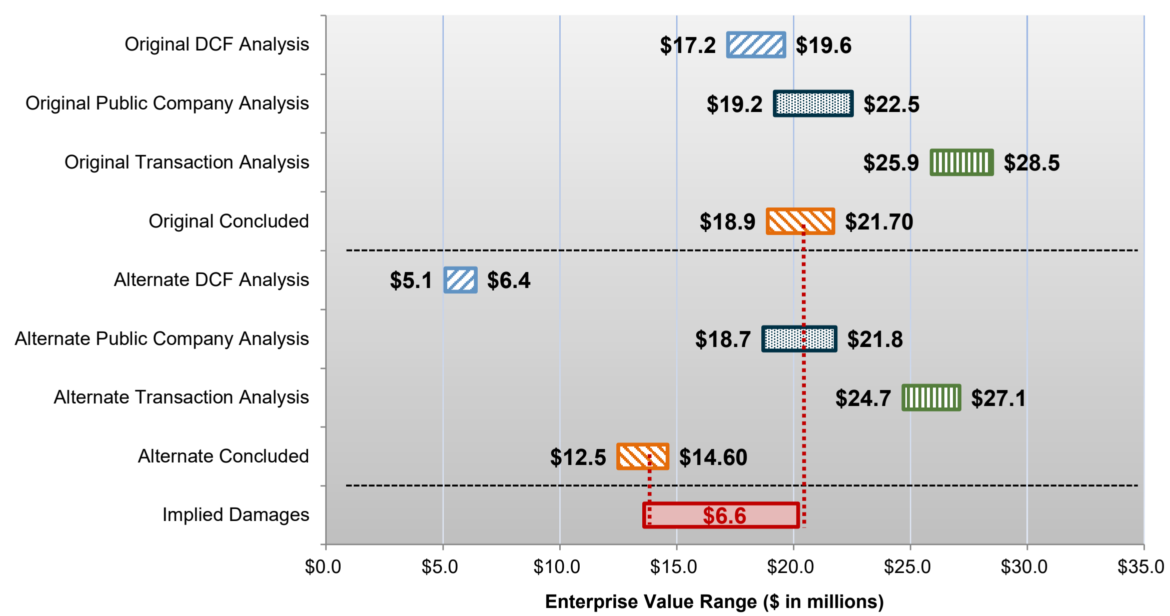
Supplement 1
Malka Media Group LLC
Alternate Scenario: Valuation Summary and Implied Damages **Valuation Date: November 15, 2021**

The table and graph below summarizes and compares the findings of my fair market value ("FMV") analysis presented in Exhibits 1-15 of my report and the alternate scenario analysis illustrated in Supplements 2-4 included herein.

$ in thousands

			Malka Media Group LLC		
	Valuation Methodology	**Weighting**	**Low**	**Mid**	**High**
(1)	**Original Scenario**				
	Income Approach: Discounted Cash Flow Analysis	50.0%	$17,200	$18,300	$19,600
	Market Approach: Public Company Analysis	40.0%	19,200	20,900	22,500
	Market Approach: Transaction Analysis	10.0%	25,900	27,200	28,500
		100.0%			
	Indicated Enterprise Value Range (rounded)		**$18,900**	**$20,200**	**$21,700**
	Alternate Scenario				
	Income Approach: Discounted Cash Flow Analysis	50.0%	$5,100	$5,700	$6,400
	Market Approach: Public Company Analysis	40.0%	18,700	20,300	21,800
	Market Approach: Transaction Analysis	10.0%	24,700	25,900	27,100
		100.0%			
	Indicated Enterprise Value Range (rounded)		**$12,500**	**$13,600**	**$14,600**
(2)	**Implied Damages**		**$6,400**	**$6,600**	**$7,100**



Notes:

(1) Refer to FMV Exhibits of my report.

(2) Implied damages calculated as the original FMV less the FMV indicated by the alternate-scenario analysis presented in Supplements 2-4.

Alternate Scenario: Discounted Cash Flow Analysis — **Valuation Date: November 15, 2021**

The alternate scenario presented below illustrates no change to Malka's revenue projections, but assumes its long-run EBITDA margin is 4.6% and that Malka reaches this margin by 2025, the final year of the projections.

		11/15 - 12/31	FY				Terminal
	FYE December 31,	2021	2022	2023	2024	2025	Year
	$ in thousands	*1.5 months*	*12 months*	*12 months*	*12 months*	*12 months*	*12 months*
(1)	Revenues	$ 5,371	$ 37,986	$ 47,483	$ 56,979	$ 65,526	$ 67,492
	Year-over-Year Growth %	*na*	*27.8%*	*25.0%*	*20.0%*	*15.0%*	*3.0%*
(2)	EBITDA	(188)	(562)	258	1,463	3,008	3,099
	EBITDA Margin %	*-3.5%*	*-1.5%*	*0.5%*	*2.6%*	*4.6%*	*4.6%*
	(-) Depreciation and amortization expense	(16)	(114)	(142)	(171)	(197)	(675)
	EBIT	(204)	(676)	116	1,292	2,812	2,424
(3)	(-) Tax expense	-	-	(32)	(362)	(787)	(679)
	Net operating profit after tax	(204)	(676)	83	930	2,025	1,745
(4)	(+) Depreciation and amortization expense	16	114	142	171	197	675
(4)	(-) Capital expenditures	(54)	(380)	(475)	(570)	(655)	(675)
(5)	(+/-) Change in net working capital	(290)	(578)	(665)	(665)	(598)	(138)
(6)	**Free cash flow to the firm**	**(532)**	**(1,520)**	**(914)**	**(133)**	**968**	**1,608**
	Partial period factor	1.0000	1.0000	1.0000	1.0000	1.0000	
	Discount period	0.0639	0.6278	1.6278	2.6278	3.6278	
(7)	Present value factor: WACC 15.25%	0.9910	0.9148	0.7937	0.6887	0.5976	
	Present value of debt-free cash flows	**(527)**	**(1,390)**	**(725)**	**(92)**	**578**	

Sum of the present values of discrete-year cash flows	(2,156)
Present value of terminal cash flow	7,842
Indicated Business Enterprise Value (rounded)	**$ 5,700**

	Terminal Year: Gordon Growth Model	
	Terminal year free cash flow to the firm	1,608
(8)	Divided by capitalization rate	12.25%
	Residual value at terminal year	13,123
	Present value factor	0.5976
	Present value of terminal cash flow	7,842

Implied Multiples

	Revenue	EBITDA
1 Year Forward	0.2 x	nmf
2 Year Forward	0.1 x	nmf

Notes:

(1) *Terminal year projected growth rate is based on the IBISWorld industry reports for digital advertising agencies, video postproduction services, and audio production studios.*

(2) *EBITDA is calculated as revenue multiplied by my projected EBITDA margins. The implied full-year 2021 EBITDA margin used is based on the YTD 9/30/2021 revenue and EBITDA presented in the Gompers Report (Figure 7) plus the projected revenue and EBITDA for the last three months of 2021 presented in the MIPA. The FY 2025 EBITDA margin is based on the adjusted 2019 EBITDA margin of 4.6% presented in the Gompers Report. Terminal year EBITDA margin is based on the expected FY 2025 EBITDA margin.*

(3) *Assumed effective blended federal and state tax rate of 28%.*

(4) *Projected capital expenditures in FY 2021-2025 and the terminal year are estimated to be 1.0% of revenues. Depreciation and amortization expense is estimated to be 30.0% of projected capital expenditures. Assumed depreciation and amortization equals capital expenditure in the terminal period.*

(5) *Projected net working capital in FY 2021-2025 and the terminal year is estimated to be 7.0% of projected revenues based on the net working capital as a percentage of LTM revenue as of September 30, 2021.*

(6) *Free cash flow available to equity and debt holders.*

(7) *The WACC of 15.25% is calculated using the same methodology as the WACC used in my FMV analysis. I have reduced the company-specific risk premium to 0.0%, causing a 1.0% decrease in the WACC, to reflect the less risky nature of the alternate projections compared to the projections used in my FMV analysis.*

(8) *The capitalization rate is equal to the weighted average cost of capital less the long-term growth rate.*

Sources:

(1) *2021.11.15 MIPA (execution) MoneyLion_01846450.pdf*

Alternate Scenario: Market Approach (Public Guideline Comparables) — Valuation Date: November 15, 2021

The alternate scenario presented below includes a downward adjustment to trailing-twelve-month revenue of 4.9% based on the adjustment to YTD 9/30/2021 revenue presented in the Gompers Report.

$ in thousands	Minimum	1st Quartile	Median	Arithmetic Mean	3rd Quartile	Maximum	Selected Multiples Range (2) Low	Selected Multiples Range (2) High	Financial Metric (3)	Weight (4)	Preliminary Value Low	Preliminary Value High
	Valuation Multiple Statistics (1)						Preliminary Valuation Estimates					
Enterprise value / Revenue												
Trailing twelve months	0.4 x	0.7 x	1.5 x	1.5 x	2.4 x	2.7 x	0.70 x	0.80 x	$ 24,665	60%	$ 17,265	$ 19,732
FY 2022E	0.7 x	1.1 x	1.5 x	1.3 x	1.7 x	1.8 x	0.50 x	0.60 x	37,986	40%	18,993	22,792
Enterprise value - weighted average of preliminary estimates										100%	**$ 17,956**	**$ 20,956**

	Valuation Summary - Guideline Company Approach		***Low***	***High***
	Total enterprise value		$ 17,956	$ 20,956
(5)	(-) Net debt		(1,875)	(1,875)
	Market value of total equity - minority, marketable		16,081	19,081
(6)	Premium for control	5.0%	722	872
	Market value of total equity - control, marketable		16,804	19,953
	(+) Net debt		1,875	1,875
	Total enterprise value - control, marketable (rounded)		**$ 18,700**	**$ 21,800**

Notes:

(1) Refer to Exhibit 6 of my report for the guideline public companies' financial metrics and multiples.
(2) The multiples were adjusted based on the financial and economic characteristics of Malka relative to the guideline companies. The adjustments primarily reflect differences between Malka and the guideline group in terms of size and profitability.
(3) The 'trailing twelve months' revenue metric to which the multiples are applied is revenue for the twelve month period ended September 30, 2021.
(4) The selected weightings of the preliminary values reflect less certainty around the FY 2022 financial projections compared to the historical performance achieved as of September 30, 2021.
(5) Net debt includes current portion of loans, term loan payable, line of credit, and other loans payable, less cash and cash equivalents as of September 30, 2021.
(6) Calculation of control premium excludes cash.

Sources:

(1) S&P Capital IQ
(2) TAB 23 - Disclosure Schedules.pdf
(3) 2021.10.08 Malka Q2 financials MoneyLion_01861600.XLSX

Supplement 4
Malka Media Group LLC
Alternate Scenario: Market Approach (Guideline Transactions) **Valuation Date: November 15, 2021**

The alternate scenario presented below includes a downward adjustment to trailing-twelve-month revenue of 4.9% based on the adjustment to YTD 9/30/2021 revenue presented in the Gompers Report.

	Valuation Multiple Statistics (1)						Preliminary Valuation Estimates					
$ in thousands	Minimum	1st Quartile	Median	Arithmetic Mean	3rd Quartile	Maximum	Selected Multiples Range (2)		Financial Metric	Weight	Preliminary Value	
Enterprise value / Revenue							*Low*	*High*				
Trailing twelve months	1.0 x	1.3 x	1.5 x	1.5 x	1.7 x	1.7 x	1.00 x	1.10 x	$ 24,665	100%	$ 24,665	$ 27,131

Valuation Summary - Guideline Transaction Approach	***Low***	***High***
Enterprise value (rounded)	**$ 24,700**	**$ 27,100**

Notes:
(1) Refer to Exhibit 9 of my report for the guideline public companies' financial metrics and multiples.
(2) The multiples were adjusted based on the financial and economic characteristics of Malka relative to the guideline companies. The adjustments primarily reflect differences between Malka and the guideline group in terms of size and profitability.

Sources:
(1) S&P Capital IQ
(2) TAB 23 - Disclosure Schedules.pdf
(3) 2021.10.08 Malka Q2 financials MoneyLion_01861600.XLSX

Appendix D - Documents Considered

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PX071

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PX145

PX146

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PX283

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Kroll. "Cost of Capital Inputs – Size Premium." Cost of Capital Navigator.

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"4Q and Full Year 2021 Earnings Call Transcript," MoneyLion, March 10, 2022. (PX218)

"1Q 2022 Earnings Call Transcript," MoneyLion, May 12, 2022. (PX238)

"2Q 2022 Earnings Call Transcript," MoneyLion, August 11, 2022. (PX249)

"Q3 2022 Earnings Call," MoneyLion, November 10, 2022. (PX260)

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"Expert Report of Paul A. Gompers, Ph.D.," *Jeffrey Frommer et.al. v. MoneyLion Technologies Inc.*, September 20, 2024.

"Expert Report of Louis G. Dudney, CPA, CFF," *Jeffrey Frommer et.al. v. MoneyLion Technologies Inc.*, September 20, 2024.

Industry Reports

Egan, Sean. *Audio Production Services in the US*, IBISWorld, May 2021.

Le, Thi. *Digital Advertising Agencies*, IBISWorld, August 2021.

Ristoff, Jared. *Video Postproduction Services in the US*, IBISWorld, November 2021.

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State of Marketing, 9th Edition, Salesforce, 2024.

MoneyLion Acquires Leading Creator Network and Content Platform, MALKA Media, November 16, 2021.

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MoneyLion Form 10-K Annual Report for the Year Ended December 31, 2021. (PX214)

MoneyLion Form 10-K Annual Report for the Year Ended December 31, 2023

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Pratt, Shannon and Grabowski, Roger, *Estimating the Cost of Capital, The Lawyer's Guide to The Cost of Capital*, 2014.

Trugman, Gary R., *Understanding Business Valuation, A Practical Guide to Valuing Small to Medium Sized Businesses*, Fifth Edition, 2017.

Zukin, James H. *Capitalization & Discount Rates, Financial Valuation: Businesses and Business Interests*, 1990.

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ASA. "Glossary," ASA Business Valuation Standards.

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